Forth Valley NHS Board

Annual Report and Accounts

2022/2023

Working together to protect the health and wellbeing of our patients and staff

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Overview

Introduction

The purpose of this overview is to give a short summary that provides sufficient information to understand our NHS Board, our purpose, the key risks to the achievement of our objectives and how we have performed during the year.

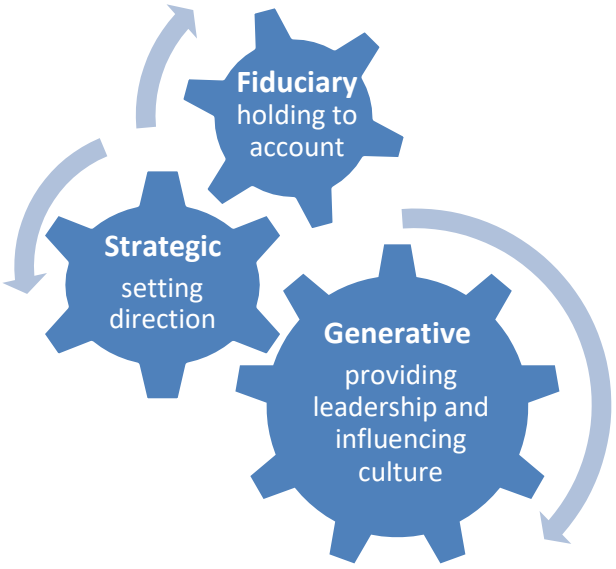
We are an organisation that cares: cares for our patients, cares for each other and cares for the communities we serve and support.

NHS Forth Valley as a governing body is one of 14 regional Health Boards. Health Boards are responsible for the protection and improvement of their population's health and the delivery of frontline healthcare services. Forth Valley is an area coterminous with Stirling, Falkirk and Clackmannanshire Local Authorities and the Health Board serves a total population of approximately 305,710[1].

The overall purpose of the NHS Board as a governing body is to ensure the efficient, effective and accountable governance of our local NHS system and to provide strategic leadership and direction for our system as a whole.

NHS Forth Valley's Governance Ambition & Model

Good governance ensures we do the right things, in the right way, for the right people in a timely, inclusive, open, and accountable manner. The Health Board system of governance is set out under three main governance themes, notably:



- 'fiduciary governance' to ensure we have good stewardship of our assets and resources and can demonstrate best value in our decision making
- 'strategic governance' to allow us to consider our context, operating environment and what our data and patient and stakeholder feedback is telling us to help us when formulating future strategy and plans

[1] Mid-2021 Population Estimates Scotland | National Records of Scotland (nrscotland.gov.uk)

- ‘generative governance’ to enable us to influence culture through our leadership and sense making role

By bringing these components together we can operate within a corporate governance framework that takes account of the NHS Scotland Blueprint for Good Governance: second edition[2] which includes:

- setting strategic direction through our approved corporate objectives
- holding the executive team to account for the delivery of those objectives
- managing risk and determining the level of risk we are willing to accept
- influencing our organisation’s culture
- reporting to stakeholders on our stewardship

In summary our commitment is three-fold, to:

- exemplify our values in how we behave and interact with each other
- promote a culture that inspires, empowers, and encourages shared learning and innovation; a culture that listens and engages with people, partners, and our staff to promote teamwork and collaboration
- support a culture that focuses on the long term and setting direction in ways that align our strategy with resources to ensure we deliver improvement in our priority areas

Role and Functions of the Health Board

Effective NHS Boards articulate an ambition for their organisation whilst managing the risk contained within that ambition and demonstrating leadership by undertaking 3 key roles:

- Formulating strategy for the organisation, including the development annually of an Operational Plan that also focuses on the long term
- Ensuring commitment and accountability by holding the organisation (all staff) to account for performance and the delivery of both improvement in population health, individual experience of care whilst operating with a context of affordability and sustainability
- Shaping a positive and compassionate culture (open, just, and fair) for the Board and organisation

The NHS Board in embracing the roles outlined above is also informed by:

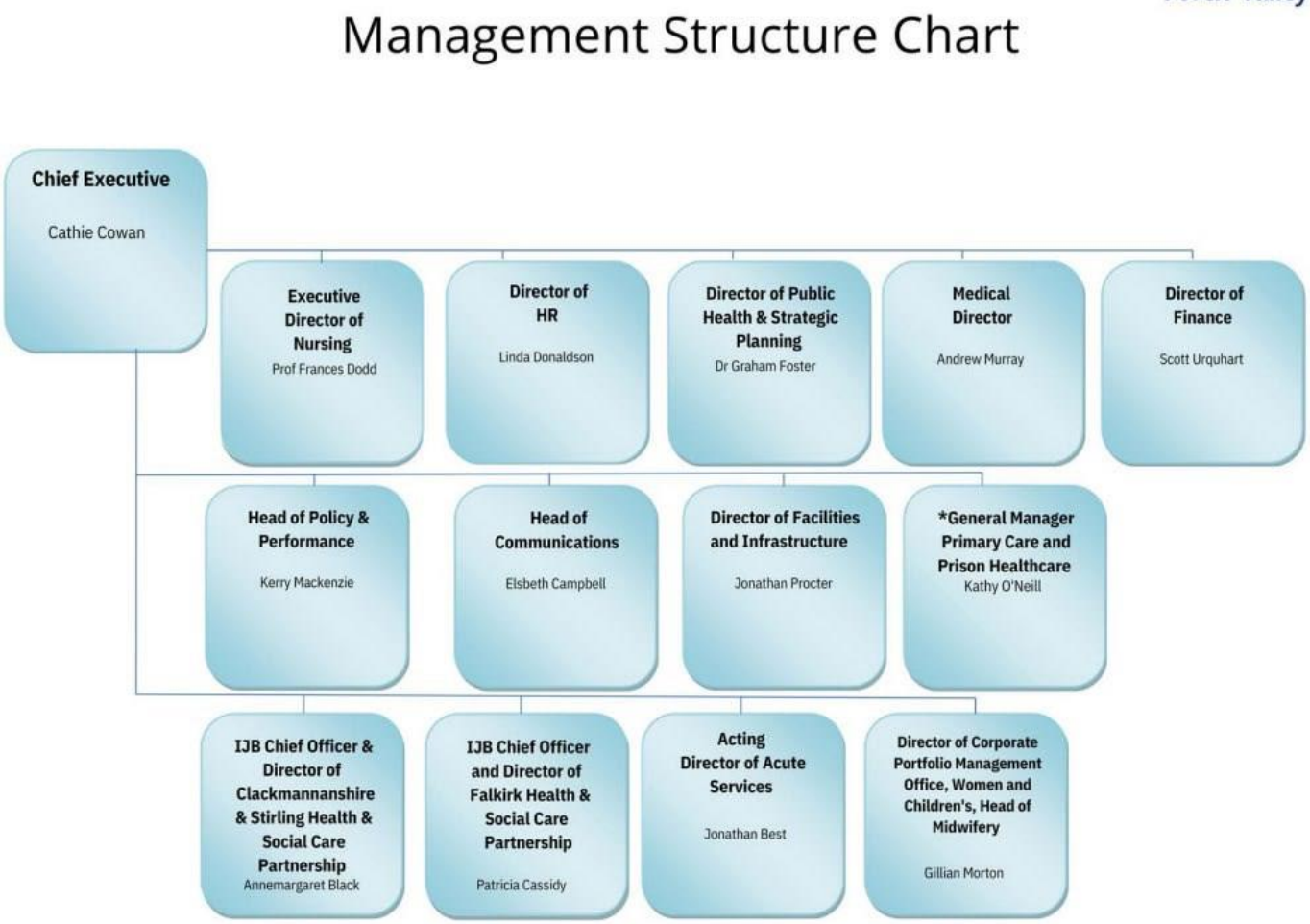
- the external context within which we operate
- the intelligence which provides trend and comparative information on how our Board is performing
- dialogue and engagement with our patients, staff, partners, and the people of Forth Valley

In summary our purpose is: as a Board we aim to **improve outcomes in population health and healthcare whilst demonstrating best value.**

The organisational structure of the Board, incorporating all core NHS functions, together with structures for the Falkirk and Clackmannanshire and Stirling Partnerships is set out below, and on the Board’s public website[3].

[2] Supporting documents - NHS Scotland - blueprint for good governance: second edition - gov.scot (www.gov.scot)
[3] Management-Structure-Chart (nhsforthvalley.com)

Chart 1: NHS Forth Valley Management Structure



* Primary Care - attachment support to Lead HSCP (Falkirk) whilst recruitment to Head of Primary Care progresses

Development of the Health Board's Strategy and Corporate Plan

The Scottish Government published the NHS Recovery Plan 2021 – 2026 on 25 August 2021. The Plan acknowledges and understands the challenges of the pandemic in terms of the impact on staff in responding to the demands of delivering the required services often in new ways, and in maintaining essential services, such as urgent, emergency, mental health, maternity and cancer care. The Plan sets out key headline ambitions and actions to be developed and delivered now and over the 5 year period and focuses on ensuring that the process of recovery delivers long term sustainability, with innovation and redesign as well as the creation of additional capacity central to delivery.

Recognising the need for the health and care system to stabilise and improve whilst recovering from the Covid-19 pandemic, NHS Boards were asked to produce an Annual Delivery Plan 2022/23. The plan was limited to set of priorities to enable the system and workforce to recover from the pressure experienced throughout the pandemic supporting the taking forward of improvement work to strengthen services for any future Covid-19 waves and the demands of winter. Priorities identified by the Scottish Government were:

- Recruitment, retention and wellbeing of health and social care workforce
- Recovering planned care and looking to what can be done to better protect planned care in the future
- Urgent and unscheduled care

- Supporting and improving social care
- Sustainability and value

The Annual Delivery Plan has been informed by the clinical prioritisation of services and national guidance and policy frameworks.

Plans have been built on who we are and what we want to achieve with a continued commitment to implement our long-term vision as set out in our Healthcare Strategy – Shaping the Future 2016 - 2021. It is important when reflecting on our purpose to consider individuals and families whilst stopping to think about the population challenges we will face over the next decade. Our Healthcare Strategy needs to take account of the legacy of Covid-19, the cost of living and climate emergency and how we support and reward our workforce to help us deliver 'outstanding care'.

Following a pause as a result of the pandemic, a refresh of our Healthcare Strategy is underway. A stocktake of the current strategy has been undertaken and work is being progressed. It was initially anticipated that the renewed Healthcare Strategy would be complete by October 2022 however system pressures impacted on our ability to progress with this work.

The draft Healthcare Strategy Outline was presented to the NHS Board in May 2023 with approval of the approach received ahead of a period of engagement and co-production. It is anticipated that the final draft will be presented to the NHS Board in November 2023 for approval.

The Corporate Plan provides a connection between national and local context. It brings together the Government's ambition and our response to what has been agreed as key priorities.

Our Corporate Objectives as set out in our Corporate Plan are our long term organisational goals. They help us convert our vision into more specific priorities and plans whilst setting milestones for success which in turn guide our decision making to optimise health outcomes and maximise care for our population within available resources. Revised Corporate Objectives, including a focus on sustainability, were approved by the NHS Board in March 2023[4].

The working environment continues to be incredibly difficult due to the legacy and ongoing impact of the Covid-19 pandemic, along with increasing demand for health and social care services. Working with our partners will be key if we are to tackle the socio, economic and environmental challenges heightened by the Covid-19 pandemic.

Corporate Objectives

- Protect and improve the health and wellbeing of the people of Forth Valley whilst reducing inequalities
- Support broader social and economic development
- Improve our focus on safety, quality, and sustainability
- Promote and develop better integrated services locally and regionally
- Demonstrate best value using our resources
- Value and develop our people
- Build systems and processes to direct, control and improve our authorising and operating environments

Overarching Corporate Objectives

[4] NHS-Forth-Valley-Board-Meeting-Papers-28-March-2023.pdf (nhsforthvalley.com)

- Plan for the future
- Demonstrate behaviours that nurture and support transformational change across our health and care system

Accountable Officer's Overview Report

Covid-19 has been the most significant challenge our health and care system has faced in living memory and its legacy and ongoing impact has also sharpened our focus on inequalities. Our focus as we move from remobilisation is on stabilisation and reform of our services to support improvements in accessing services and the health and wellbeing of our local population and staff. We have continued to build on our achievements and drive forward improvements and innovations in collaboration with our partners locally, regionally, and nationally as part of our whole system wellbeing response.

Service stabilisation and reform are not without risk. Covid-19's legacy of long waits and widening inequalities made worse by the cost of living crisis adds another dimension for NHS Boards with its partners to consider. In response, NHS Forth Valley since early 2021 has made a number of major investments to increase capacity and build a more sustainable workforce to support our ambitious transformative plans. These plans included investment in Hospital at Home, urgent and unscheduled care, stroke, outpatient, theatre, and inpatient capacity.

In 2022/2023 we have continued to invest in services to support our ongoing redesign of our urgent and unscheduled care including Out of Hours, services, planned care and expansion of Hospital at Home. Alongside investment in service redesign has been investment in our workforce and the NHS Board has in working closely with our Area Clinical Forum and Area Partnership Forum approved just under £2 million in additional nurse staffing. This investment is intended to support the NHS Board's commitment to sustainability whilst reducing our supplementary staffing spend which during the Pandemic has been significant.

As we look to the future, tackling inequalities, primary care, and staff wellbeing continue to be centre stage in our plans to stabilise and reform services. Our plans to improve Urgent & Unscheduled Care performance are yet to deliver and we continue to focus on triage redesign, new pathways to support scheduling of patients who traditionally present to the Emergency Department, improving prenoon and weekend discharge rates and delays in transfer or discharge with a focus on reducing our length of stay continue. Preventing, treating, and supporting people living with ongoing effects of Covid-19 and the ongoing roll out of our Covid-19 booster and flu vaccination programmes remain key priorities.

We are committed to an 'anchor approach' which involves working with our partners and to make best use of our considerable collective skills and resources and buying power to help support local economic development. Our unique 'Partnership' with the University of Stirling and Forth Valley College is a key milestone in the lead up to the launch of our Anchor Board.

Covid-19 has helped us embed the use of technology across NHS Scotland and we continue to support the acceleration of digital services and innovation to improve patient outcomes and experiences, where appropriate.

Capacity within our acute hospital remains a key issue and work with our Health & Social Care Partnerships to build on our many achievements is a key factor in our transformation plans. In addition, the planned new National Treatment Centre in Forth Valley will transform how we deliver a wide range of operations and procedures nationally in the years to come. Our clinicians have stepped up and already are performing a number of innovative ways of working to tackle long waits. A key feature of our work has been to, wherever possible, offer mutual aid however due to unprecedented local demands this can be increasingly challenging.

On the 23 November 2022, NHS Forth Valley was escalated to Stage 4 of the NHS Scotland Performance Escalation Framework for concerns relating to Governance, Leadership and

Culture. Concerns were also raised in relation to the completion of integration of health and social care in addition to a range of performance-related issues, notably in GP and Primary Care Out of Hours services, unscheduled care, and mental health. Stage 4 escalation brought direct formal oversight and coordinated engagement from Scottish Government in the form of an Assurance Board chaired by the Director of Population Health

The purpose of the Assurance Board is to support the NHS Board in providing focus and direction through strong leadership and effective governance and improved culture to deliver the sustainable changes and improvements required.

An Escalation Improvement Plan was developed and approved by the NHS Board on 19 December 2022. The Plan set out a number of areas of initial focus in response to the NHS Board's Escalation status. Our key focus, whilst strengthening our leadership informed by effective governance and cultural improvement, is centred around three key priority areas:

- Putting patients first - everyone who uses our services should expect to receive consistent and high standards of care.
- Supporting our staff - ensuring they have the right working conditions and resources to support their own wellbeing and deliver the best care and services possible.
- Working in partnership - building and sustaining a culture of collaboration with partners based on trust and respect, learning, and sharing best practice.

Since approving the Plan, all immediate and short-term actions have been progressed and at the NHS Board in January 2023 Board members considered and sought assurance on implementation and the steps being taken to continue to update the Plan to ensure the delivery of sustainable improvement[5].

An external review of governance arrangements, aligned to the revised Blueprint for Good Governance document, is in progress as part of the NHS Board response to escalation to Stage 4 of the NHS Scotland Performance Escalation Framework. The review is expected to conclude by the end of June 2023.

Elective Care

NHS Forth Valley Scheduled Care Teams have worked throughout the pandemic to maintain as high a level of activity as possible in a person centred, safe, and effective manner. The introduction of the 'Hospital within a Hospital' system for elective patients maintained a safe pathway for Urgent Suspicion of Cancer and urgent cases in line with the Clinical Prioritisation Framework which was stood down in July 2022. This is delivered using a day of surgery model of care which is protected by specifically designed Covid safe pathways. This has ensured that the population of Forth Valley has benefited from access to appropriate elective care and lower than average waiting times to access treatment. The NHS Forth Valley Acute Services Directorate developed a robust plan which identifies a route map for the delivery of sustainable and financially achievable elective care services.

Collaborative work across individual services with Centre for Sustainable Delivery (CfSD) has supported the implementation of sustainable improvement programmes and the ability to increase capacity through service change.

Active Clinical Referral Triage (ACRT) has been implemented across all services with some areas, such as Urology, achieving impressive results and releasing capacity within outpatients. However, more work is required to maximise its impact.

Clinically led Patient focused review and validation of waiting lists is currently taking place. Consultants call patients following 'Keeping in Touch' calls delivered by admin team. This has

[5] NHS-Forth-Valley-Board-Meeting-Papers-28-March-2023.pdf (nhsforthvalley.com)

delivered approximately 5% removals which is lower than national average as the Netcall process is done routinely across services. Netcall provides patients with a press button option to make contact directly with booking team if an appointment needs to be cancelled or rescheduled.

Patient initiated review (PIR) has been embedded across all services. Further work is needed to formalise the process of application to ensure all PIR is recorded clearly and clear data can be extracted to ensure accurate monitoring of progress. Additionally, both of these initiatives are excellent examples of realistic medicine realisation and patient centred care that reduces our environmental impact from a sustainable care perspective.

Collaborative work with the national specialty groups has proven beneficial with the introduction of Enhanced Recovery After Surgery (ERAS) pathways and initiatives in Day Surgery to release main theatre capacity. Plans are in place to support continued development in these areas through the NHS Forth Valley Scheduled Care Delivery Programme and the multidisciplinary improvement work streams monitored through this robust governance route.

Advanced role development has had a positive impact on waiting times and patient experience. Various advanced roles in nursing and AHP professions have proved successful in releasing consultant capacity within outpatient and theatre settings. The development of the Urology Hub is a good example of this with which sees procedures carried out by a new Advanced Surgical Care Practitioner, supported by consultants. This new way of working frees both consultants and theatre slots for complex surgery. Transforming urology services has addressed workforce challenges, reduced waiting lists, and created an improved and more sustainable service that includes training of new and existing staff who have taken on new roles and responsibilities.

Diagnostics

Capacity for imaging and endoscopy services had been significantly reduced because of the Covid-19 pandemic. With an increase in referrals from June 2021 onwards there was a notable increase in the number of patients waiting, in particular, for imaging services. Focussed recovery work however has supported a steady reduction in the number of patients waiting beyond the 42-day standard.

Plans are in place to allow expansion of endoscopy capacity significantly using three session days and 7-day working which is dependent on securing recurring funding for additional staff. This is being addressed as part of our overall stabilisation and reform plan. Capsule Colon Endoscopy and Cytosponge have been implemented in NHS Forth Valley.

Work is currently underway to review the utilization of imaging capacity to ensure all available capacity is maximized.

Unscheduled Care

Being treated in a timely manner in the Emergency Department (ED) is important for both clinical outcomes and the experience of patients: ED or A&E waiting times are often used as a barometer for overall performance of the NHS and social care system. Performance has continued to deteriorate during 2022/2023 when compared to previous years. The Board acknowledge that this is unacceptable for our patients, and for our staff.

Whole system work to support unscheduled care is being address through the Escalation Improvement Plan with Scottish Government support and oversight.

Mental Health

NHS Forth Valley Mental Health Services are committed to prevention and early intervention, and providing early year's support, timely access to treatment, and joined up accessible services, meeting the physical needs of people with severe and enduring mental health needs,

adopting a human-rights based approach, and supporting people back into the workplace.

NHS Forth Valley has received significant allocations to support full implementation of the Child & Adolescent Mental Health Service (CAMHS) Specification - Community, expansion of CAMHS from age 18 to 25 years for targeted groups and those who wish it, and to address the backlogs on waiting list. An Improvement Plan submitted to the Scottish Government in September 2021 sets out the response to each of these areas with work continuing to prioritise urgent referrals for children and young people who have experienced longer waits. Similarly, the NHS Board has received funding to address waiting list backlogs in Psychological Therapies (PT) and our actions to address long waits are set out in an Improvement plan submitted to the Scottish Government in July 2021. Progress is being made with a reduction in the total number of people awaiting initial assessment, and the number of people waiting a very long time for initial assessment. In June 2022, 224 people had been waiting over a year for initial assessment with 7 people waiting over a year for assessment at the end of March 2023.

CAMHS has a target of seeing and treating 90% of children within 18 weeks of referral by the end of Quarter 1, April-June 2023. Referrals to the service have been higher than planned with this likely to impact on delivery. Within PT a trajectory has been submitted with modelling indicating that NHS Forth Valley anticipates achieving 90% standard by September 2023.

CAMHS and PT are both receiving enhanced support from the Scottish Government.

Autumn and winter Flu/Covid programme 2022/23

Delivery of the Autumn Winter Flu/Covid programme 2022/23 commenced on the 5th of September 2022 across NHS Forth Valley following JCVI recommendation to co-administer Flu alongside the Covid Vaccination Booster programme for those eligible.

Drawing from learning in previous years NHS Forth Valley operated a hybrid delivery model ensuring accessible vaccination opportunities across the populations. Mass vaccination centres in Clackmannanshire, Stirling and Falkirk opened seven days per week 12 hours per day, with early adoption of a drop-in facility for Health and Social Care Workers running consistently throughout the duration of the programme.

Support from community partners i.e., local authority, education, rural GPs, and community pharmacies, allowed for an expanded range of locations where patients could access Flu and Covid-19 booster vaccinations. Peer vaccinators within NHS Forth Valley, community hospitals and Prison services supported delivery of the programmes where practical in several different settings. District nursing teams in conjunction with the Board Immunisation Team provided vaccinations to the 4200 housebound population and the Maternity Team played a key role in offering pregnant women vaccination opportunities at midwife led clinics.

Focussed inclusivity work was a key priority in the programme, with people who find difficulty accessing services and marginalised communities supported with pop up sites and mobile units provided in conjunction with the Scottish Ambulance Service (SAS) at areas that were more accessible for them. Further key links were sustained and developed between NHS Forth Valley and the local Dial-a-Journey service which provides a door-to-door transport service for people with mobility problems. This invaluable service ensured support was available to those who required additional help in attending community venues to receive vaccination.

Integration

Both Integration Joint Boards have updated their Strategic Commissioning Plans which set out the strategic direction for those functions delegated and through Directions commission services from the NHS and Local Authorities. NHS Forth Valley continues to work with its two Health & Social Care Partnerships and three Local Authorities to support our most vulnerable people and communities and to enhance and maximise the benefits of integration. There is

agreement across Forth Valley to deliver whole system planning aligning Health & Social Care Strategic Commissioning Plans and joint activity.

We continue to work with our partnership colleagues on plans intended to improve our 4-hour access performance, implement 'same day emergency care' and reduce transfer and discharge delays especially on the Forth Valley Royal Hospital.

In addition, we are working to build stronger and more resilient primary care (by implementing the GMS contract), community care including social care and mental health services with our Integration Authorities and Local Authorities to support people live at home.

Primary Care

The reform of Primary Care (GMS) has continued at pace through the delivery of the Primary Care Improvement Plan (PCIP) but also through the modernisation of GP Premises with the completion of an Initial Agreement for a Forth Valley wide programme of capital investment. This programme of reform has been progressed through a collaborative tri-partite decision-making process (GP Sub Committee; Integration Joint Boards and NHS Forth Valley).

Despite the challenges of the past two years, implementation of the 2018 GMS Contract, including Memorandum of Understanding (MOU) 2, has been delivered in line with NHS Forth Valley's PCIP (Iteration 3). Although MOU2 asked Health Boards to focus their delivery on 3 key areas (Vaccination Transformation, Pharmacotherapy and Community Treatment and Care), Forth Valley continued to press on with delivery on all 6 PCIP workstreams (i.e., additional professional roles, Urgent Care and Treatment and introduction of Community Link workers). More recently, PCIP support has been extended to support more care homes and we are extending primary care mental health to 12 to 18 year olds in collaboration with CAMHS services.

In June 2022, NHS Forth Valley submitted an Initial Agreement for a Programme of Investment in Primary Care premises. This will take a locality based approach and will be progressed through a series of outline business cases. Planning for the first outline business case (Stirling locality, including Eastern Villages, Bridge of Allan & Dunblane) commenced in September 2022.

In going forward there will be an ongoing commitment to interface work between primary and secondary care with an initial focus on supporting improvements in communication at times of transfer of patient care and development of patient pathways to ensure access to right care first time. IT plays a key role in this regard and, despite a delay in national GPIT system, the NHS Board remains committed to developing the IT infrastructure in parallel with the primary care premises improvement programme. IT will be required to support current models of delivering primary care and to capitalise on developing digital solutions for supporting delivery of healthcare.

Workforce

NHS Forth Valley is committed to maintaining an appropriately trained and developed workforce who, in their everyday interactions with patients, their families and each other, display our NHS Forth Valley values and behaviours. We have been developing innovative and new ways of working which have been enhanced by digital solutions. New roles continue to emerge that will enable different pathways of care.

In common with other Health Boards, NHS Forth Valley faces many challenges in relation to the delivery of ongoing affordable health care, in addition to implementing the NHS Forth Valley Workforce Plan 2022 – 2025 our key workforce priorities are:

- Refreshing Our People Strategy in line with the National Workforce Strategy.

- Implementing our approved Strategic Workforce Wellbeing Plan 2022- 2025 including launching our new Wellbeing Website and Management Toolkit
- Launching Our Culture and Compassionate Staff Programme
- Enhancing the Employee Voice through 'red flag' partnership meetings; Speak Up; Mediation; Patient Safety Visits; and Exit Interview programme
- Achieving a sustainable workforce through the new Retire and Return policy; Flying Finish programme; Ethical International Recruitment
- Increase Employability through our Anchor Institution work
- Focus on Attendance Management
- Exploring Regional Workforce Solutions
- Deliver eRostering Solutions

NHS Forth Valley has recently introduced the eRostering electronic staff allocation tool across Acute Services in-patient areas and are leading work in the implementation of SafeCare workforce tool, providing real-time feedback on safe staffing levels.

To reduce agency reliance and expenditure NHS Forth Valley has committed to a wide recruitment and retention programme. There is an annual Newly Qualified Recruitment programme which has successfully attracted a high number of newly qualified staff nurses over the past few years. This is underway for this year and has been supported by regular contact of senior nursing team, university staff and a series of conversations with students.

To reduce reliance on Health Care Support Worker (HCSW) agency NHS Forth Valley has committed to early engagement with final year nursing students and have offered a one day a week contract, the uptake has been encouraging with 130 applicants. This has been over Adult and Mental Health nursing and the recruitment process is underway.

NHS Forth Valley has engaged with NHS Professionals and has successfully recruited 3 cohorts of international nurses.

During February the HCSW framework launches nationally which will provide a robust framework to assess and implement the role of the Assistant Practitioner (Band 4). NHS Forth Valley has successfully introduced the Assistant Practitioner role within theatres and will use the framework to further expand across Mental Health and Adult nursing.

The role of HCWS has recently been evaluated and in recognition of the job development and clinical skills the post has been re-banded from Band 2 to Band 3. In line with the Assistant Practitioner work this will provide a clear career progression framework within NHSFV for non-registered nursing staff. NHS Forth Valley is committed to working with HEI partners to provide support in the transition to registered practitioner, via supporting access to nursing courses.

Transforming and developing nursing roles for registered practitioners is also key to NHS Forth Valley recruitment and retention strategy. There is currently 174, either trainee or fully qualified Advanced Nurse Practitioners across Acute and Primary Care. NHS Forth Valley has also taken a lead role in the development of Surgical Care Practitioners providing career options and pathways for staff. Mapping robust and varied career pathways through advanced practice, clinical specialism and leadership and management roles will be key in recruiting, retaining, and motivating the nursing workforce.

A key component running through all the work is staff wellbeing across NHS Forth Valley as we move through post-pandemic recovery. NHS Forth Valley has committed to varied staff wellbeing programme which includes cultural and leadership development from Prof Michael West.

Performance Analysis – Key Non Financial Targets

The overall approach to performance within NHS Forth Valley underlines the principle that performance management is integral to the delivery of quality improvement and core to sound management, governance, and accountability. During the year a performance report has been presented at each Board meeting. The purpose of the performance report (Performance Scorecard) is to provide information and assurance in respect of the overall performance of Forth Valley NHS Board.

The Performance Scorecard considers key monthly metrics in relation to system-wide performance as we work to stabilise services and provides a month on month progress overview. Included within the metrics are the eight key standards that are most important to patients: 12-week outpatient target, diagnostics, 12-week treatment time guarantee, cancer targets, access to Psychological Therapies, access to Child & Adolescent Mental Health Services and Accident & Emergency 4-hour waits. Following a review of the Scorecard a number of metrics previously reported pre-covid have been reintroduced and additional metrics have been added to support the provision of a more detailed system-wide picture.

NHS Forth Valley remains committed to reporting on outcome measures and does this through its performance scorecard reporting e.g., HSMR and patient safety, patient experience, and access / timeliness of care.

Table 1 provides an overview of key non-financial performance measures comparing the March 2023 position with the March 2022 position. In addition, detail of performance in relation to our 2022–2023 System-Wide Remobilisation Plan activity trajectories, that have been agreed with the Scottish Government, is highlighted. Trajectories are in respect of scheduled or planned care and relate to Outpatients, Diagnostics and Inpatients.

Table 1: Key Non-Financial Performance Measures Overview

MEASURE	DATE	Mar-23	Mar-22
UNSCHEDULED CARE			
Emergency Department % compliance against 4 hour access target	Apr-22 - Mar-23	**47.5%**	**64.4%**
NHS Forth Valley Overall % compliance against 4 hour target	Apr-22 - Mar-23	**61.7%**	**73.8%**
Minor Injuries Unit % compliance against 4 hour target	Apr-22 - Mar-23	**99.7%**	**99.7%**
OUTPATIENTS			
Total Number of New Outpatients Waiting (Month)	31-Mar-23	**18,887**	**16,138**
Number of New Outpatients waiting over 12 weeks (Month)	31-Mar-23	**7,699**	**6,587**
Compliance with agreed remobilisation activity plan trajectory	Apr-22 - Mar-23	**87%**	**97%**
DIAGNOSTICS			
Percentage waiting less than 42 days - Imaging (Month)	31-Mar-23	**82.2%**	**56.2%**
Number waiting beyond 42 days - Imaging (Month)	31-Mar-23	**767**	**2812**
Compliance with agreed remobilisation activity plan trajectory	Apr-22 - Mar-23	**115%**	**107%**
Percentage waiting less than 42 days - Endoscopy (Month)	31-Mar-23	**67.7%**	**59.2%**
Number waiting beyond 42 days - Endoscopy (Month)	31-Mar-23	**190**	**206**
Compliance with agreed remobilisation activity plan trajectory	Apr-22 - Mar-23	**107%**	**109%**
CANCER			
62 Day Cancer Target - Percentage compliance against target (Quarterly)	31-Mar-23	***70.9%**	**72.8%**
31 Day Cancer Target - Percentage compliance against target (Quarterly)	31-Mar-23	***99%**	**98.1%**
INPATIENTS			
Total Number of Inpatients/Day cases Waiting (Month)	31-Mar-23	**4,372**	**3,921**
Number of Inpatients/Day cases waiting over 12 weeks (Month)	31-Mar-23	**2,193**	**1,649**
Compliance with agreed remobilisation activity plan trajectory	Apr-22 - Mar-23	**81%**	**83%**
MENTAL HEALTH			
Psychological Therapies - 18 week RTT compliance (Monthly)	31-Mar-23	**78.2%**	**80.0%**
Psychological Therapies - 18 week RTT compliance (Quarterly)	31-Dec-22	****71.1%**	**69.2%**
Child & Adolescent Mental Health Services - 18 week RTT compliance (Monthly)	31-Mar-23	**46.0%**	**73.7%**
Child & Adolescent Mental Health Services - 18 week RTT compliance (Quarterly)	31-Dec-22	****38%**	**67.2%**
*Cancer figures for the quarter ending March 2023 are provisional			
** March figure awaited			

Unscheduled Care

In 2022/2023, compliance with the Emergency Access Standard (EAS) of 95% of patients should wait less than 4 hours from arrival to admission, discharge or transfer for accident and emergency treatment is noted as:

- Minor Injuries Unit 99.7%
- Emergency Department 47.5%
- Forth Valley overall 61.7%

The 4-hr EAS system measure continues to be both challenging and variable with performance consistently in the lower quartile for NHS Scotland. Actions to support sustainable change are being progressed with a focus on supporting decompression of the acute site and sustained recovery. Work is ongoing to support the withdrawal from contingency spaces where possible, along with work in respect of discharge without delay and rapid assessment and discharge and a review of the capacity required across local health and care services to address current and future demand. Strong foundations are in place to support the delivery of the agreed high impact system changes over the next quarter to improve both patient and staff experiences.

NHS Forth Valley has agreed with Scottish Government colleagues a whole system Urgent & Unscheduled Care Collaborative plan with implementation work commenced. A refocused programme of priority workstreams has been developed with dedicated Programme Management support. Improvement trajectories are being confirmed.

Outpatients

The total number of patients waiting, and the number waiting beyond 12 weeks for a first appointment has increased comparing March 2023 with March 2022.

The Scottish Government target is to treat those patients waiting longer than 12 months for outpatients in most specialties by the end of March 2023. NHS Forth Valley had twenty-five patients waiting longer than 12 months at the end of March 2023.

- Total number of patients waiting for a first outpatient appointment at the end of March 2023 was 18,887 compared with 16,138 at the end of March 2022
- The number of patients waiting beyond 12 weeks for a first outpatient appointment at the end of March 2023 was 7,699 compared with 6,587at the end of March 2022
- From April 2022 to March 2023 NHS Forth Valley delivered 55,957 outpatient appointments against the remobilisation plan trajectory of 64,630 appointments. This is 87% compliance against the plan agreed with the Scottish Government.

Diagnostics

Performance against the 6-week standard has improved in both imagining and endoscopy services with activity in this area being better than that planned.

- The number of patients waiting beyond 6 weeks in March 2023 for imaging was 767 compared with 2,812 patients in March 2022
- The number of patients waiting beyond 6 weeks in March 2023 for endoscopy (upper and lower gastrointestinal endoscopy, colonoscopy and cystoscopy) was 190 compared with 206 in March 2022.
- From April 2022 to March 2023 NHS Forth Valley delivered 40,511 imaging appointments (x- ray, CT, MRI, and non-obstetric ultrasound) against the remobilisation plan trajectory of 35,232 appointments. This is 115% compliance against the plan agreed with the Scottish Government.
- From April 2022 to March 2023 NHS Forth Valley delivered 4,863 endoscopy appointments against a plan of 4,556 appointments. This is 107% compliance against the plan agreed with the Scottish Government.

Cancer

The target is, 95% of patients referred urgently with a suspicion of cancer to begin treatment within 62 days of receipt of referral and, 95% of all patients diagnosed with cancer to begin treatment within 31 days of decision to treat.

62-day cancer target

- In the quarter ending March 2023, 70.9% of patients with a suspicion of cancer were treated within 62 days compared with 72.8% in the quarter ending March 2022.

31-day cancer target

- In the quarter ending March 2023, 99.0% of patients were treated within 31 days of decision to treat compared with 98.1% in the quarter ending March 2022.

Urgent suspected cancer activity is prioritised with robust monitoring in place as we continue to track additions to our 31-day and 62-day cancer pathways linking with the cancer team at the Scottish Government on a weekly basis. We have significant pressure within the urology pathway as a result of an increase in non-cancer referrals, pressure on radiology capacity, Robot Assisted Laparoscopic Prostatectomy capacity, the need for joint surgical and oncology appointments and tertiary centre capacity. Work with local clinical teams is ongoing to redesign cancer pathways and work with colleagues across the West of Scotland whilst we actively focusing on reducing waiting times for endoscopy and urology pathways.

Inpatients

The total number of patients waiting, and the number waiting beyond 12 weeks for inpatient or daycase treatment has increased comparing March 2023 with March 2022.

The Scottish Government target is to treat those patients waiting longer than 18 months in most specialities by September 2022 for inpatient and daycases. At the end of September, NHS Forth Valley had thirty-six patients waiting longer than 18 months with thirty-four patients waiting at the end of March 2023.

- Total number of patients waiting for inpatient or daycase treatment at the end of March 2023 was 4,372 compared with 3,921 at the end of March 2022
- The number of patients waiting beyond 12 weeks for inpatient or daycase treatment at the end of March 2023 was 2,193 compared with 1,649 at the end of March 2022
- From April 2022 to March 2023 NHS Forth Valley delivered 9,568 inpatients/daycases against the remobilisation plan trajectory of 11,815 appointments. This is 81% compliance with the plan agreed with the Scottish Government.

In 2021 the investment in recurring workforce and introduction of a 'Hospital within a Hospital' system for elective patients has enabled NHS Forth Valley to maintain a high level of elective activity.

Mental Health

Psychological Therapies

Psychological therapies refer to a range of interventions, based on psychological concepts and theory, which are designed to help people understand and make changes to their thinking, behaviour and relationships in order to relieve distress and to improve functioning. The target applies specifically to psychological therapies for treatment of a mental illness or disorder.

The Psychological Therapies target is, 90% of patients to start treatment within 18 weeks of referral. There has been a slight reduction in performance comparing March 2023 with March 2022.

- In March 2023, performance against the 18-week referral to treatment standard was 78.2% compared with 80% in March 2022
- In the quarter ending December 2022 (March 2023 data unavailable), 71.1% of patients were seen within the 18-week referral to treatment standard compared with 69.2% in March 2022

As one of the NHS Board areas receiving a programme of enhanced support, NHS Forth Valley submitted a comprehensive Psychological Therapies Improvement Plan to the Scottish Government. This provides details of improvement actions and anticipated trajectories. As part of this, trajectory modelling was completed which has recently been revised to take into account several factors including current staffing levels and the reduction in waiting list size. Achievement of the standard remains challenging, with national workforce availability presenting the most significant risk. While the service has recently recruited to a number of posts there remains several core vacancies with six posts in recruitment and further posts being prepared for advert.

Child & Adolescent Mental Health Services (CAMHS)

CAMHS develop and deliver services for those children and young people (and their parents/carers) who are experiencing the most serious mental health problems. They also have an important role in supporting the mental health capability of the wider network of children's services. CAMHS are usually delivered by multidisciplinary teams including nurses, psychiatrists, psychologists, social workers, and others.

The CAMHS target is, 90% of patients to start treatment within 18 weeks of referral. There has been a reduction in performance comparing March 2023 with March 2022.

- In March 2023, performance against the 18-week referral to treatment standard was 46.0% compared with 73.7% in March 2022

- In the quarter ending December 2022 (March 2023 data unavailable), 38.0% of patients were seen within the 18-week referral to treatment standard compared with 67.2% in the quarter ending March 2022.

NHS Forth Valley has focused on addressing long waits which impacts adversely on RTT performance. The average wait (Choice) assessment waiting list is now 8 weeks and in March 2023. CAMHS are progressing a combined Quality Improvement and Waiting Times Improvement Plan. This is multi-factorial and includes the implementation of the Choice and Partnership Approach (CAPA), the redesign of the service to meet the CAMHS Service Specification as well as improvements to ensure that performance is improved and sustained during Quarter 1 (April to June 2023).

Delayed Discharges

Delayed discharge refers to the process when a person who is clinically ready for discharge from inpatient hospital care continues to occupy a hospital bed beyond the ready for discharge date. The ready for discharge date is a clinical decision, taken in collaboration with the wider multi-disciplinary team, and is the point at which the person no longer requires treatment in a hospital setting. If that person is then still in hospital after midnight at the end of the ready for discharge date, then they are classed as a delayed discharge.

The delayed discharge position at the March 2023 census is noted as:

- 53 Standard delays, 34 of which have been delayed over 2 weeks
- 38 Code 9 Exemptions
- 91 Total Delays
- 2,067 Bed Days Occupied

The reasons for delay are broken down under 3 broad headings, health and social care reasons, patient/carer/family related reasons, and code 9 cases. Health and social care reasons are where the delay is as a result of the patient undergoing an assessment or waiting for care arrangements, a care home place, funding or transport. Patient, carer or family related reasons are where the delay sits with the person themselves, their carer or family. Code 9 refer to complex delays e.g., people waiting place availability in a specialist facility, people delayed due to requirements of the Adults with Incapacity legislation, and people awaiting completion of complex care arrangements.

As well as the potential impact to the health and wellbeing of a patient as a result of a delay in discharge, delays have an impact across the healthcare system in respect of patient flow from the front door of the hospital through to admission and beyond.

There is significant focus on reducing the number of delayed discharges. Included are actions enabling the right short term support at home through responsive community care and support, coordination of community support with less duplication and a more efficient support model, care home multi agency working, interim placements to care homes and third sector link worker based on the acute site. A number of further supporting actions continue to be developed.

Workforce

Absence remains above the locally agreed 4.5% target with an increase noted at March 2023 compared with March 2022. From 1st September 2022 coronavirus absences are included within the sickness absence totals however there are some still instances recorded as Special Leave and are not included within the sickness absences.

- In March 2023 the sickness absence rate was 7.22% compared with 5.87% in March 2022
- The 12-month rolling average April 2022 to March 2023 is 7.15% compared with 6.14% in the period April 2021 to March 2022

Coronavirus absences are recorded as Special Leave and are not included within the sickness

absences figures. The absence for Coronavirus reasons is noted as:

- 0.48% in March 2023 compared with 5.02% in March 2022

The management of absence and the improvement of staff wellbeing remain key priorities for NHS Forth Valley and is a focus of the Staff Governance Committee and Area Partnership Forum.

Social Matters

NHS Forth Valley is committed to leading and promoting Equality and Diversity, equal opportunities and supporting human rights in terms of the provision of health services for the community it serves and in its practice as an exemplar employer. This is achieved by meeting sustainable procurement targets, delivering an ethical supply policy and implementation of Employability Strategies.

We have committed to an 'anchor approach' which involves working with our partners to make best use of our considerable collective skills and resources and buying power to help support local economic development. Our unique 'Partnership' with the University of Stirling and Forth Valley College was a key milestone in the lead up to the launch of our Anchor Board. Work with this Partnership to a create a 'centre of excellence' is ongoing.

NHS Forth Valley is fully committed to the prevention of bribery and corruption, and the Bribery Act 2010 is reflected within the Code of Corporate Governance, which includes the Standing Financial Instructions, and the Code of Conduct for staff. A clause in NHS Forth Valley Board contract standard terms & conditions prohibits any gift, payments, or consideration of any kind as an inducement or reward and highlights the criminal nature of such offences under the legislation.

Financial Performance

The Scottish Government requires NHS Boards to meet 3 key financial targets: a Revenue Resource Limit, a Capital Resource Limit and a Cash Requirement. We have delivered on all three targets for 2022/23. Note that both the Revenue and Capital Resource Limits are comprised of Core and Non-Core expenditure (Non-Core expenditure typically relates to items of a technical accounting nature), further details of which can be found in the Statement of Resource Outturn. Financial outturn performance for 2022/2023 is summarised in table 2 below.

Table 2: Financial Outturn Performance 2022/2023

2022/23 Financial Performance	Limit set by SGHSCD £000s	Actual Outturn £000s	Variance (Deficit)/ Surplus £000s
Core Revenue Resource Limit	705,050	704,821	229
Non-Core Revenue Resource Limit	22,854	22,854	0
Total Revenue Resource Limits	**727,904**	**727,675**	**229**
Core Capital Resource Limit	14,508	14,508	0
Non-Core Capital Resource Limit	0	0	0
Total Capital Resource Limits	**14,508**	**14,508**	**0**
Cash Requirement	**814,199**	**814,199**	**0**

In the year to 31st March 2023 the Board delivered a small revenue surplus of £0.2m which is broadly in line with the outturn achieved in the previous financial year. In arriving at this position, a range of measures were employed to offset material budget overspends arising from ongoing capacity and staffing pressures, increases in medicines costs across both hospital and community settings, ongoing covid legacy expenditure and inflationary pressures. Whilst these measures enabled financial targets to be delivered in year, it is recognised that they were largely non-recurring in nature which increases the financial challenge and savings requirement for 2023/24.

Table 3 below illustrates the impact of financial flexibility permitted via the Scottish Government on the Board's outturn for 2022/23. Financial flexibility of £3.0m was applied in year relating to funding banked with Scottish Government for return in 2023/24. Without this financial flexibility, the Board would have reported an underspend of £3.2m against the core RRL (equivalent to 0.5% of our core RRL). As this balance is within the one per cent flexibility afforded by the three-year financial planning process, this will be managed within an overall breakeven position in the period to 2024-25.

Table 3: Memorandum for in year outturn

MEMORANDUM FOR IN YEAR OUTTURN	£000s
Core Revenue Resource Variance (Deficit) / Surplus in 2022/23	229
Financial flexibility: funding banked with/ (provided by) Scottish Government	3,000
Underlying (Deficit) / Surplus against Core Revenue Resource Limit	**3,229**
Percentage	0%

A one-year financial plan for 2022/23 was submitted to Scottish Government by NHS Forth Valley on 18 March 2022. Due to the impact of the Covid-19 pandemic, the Scottish Government paused the formal three-year Annual Operating and financial planning process. However, NHS Boards have taken steps to return to medium term financial planning by preparing draft 3-year plans in 2022-23 that were shared with Scottish Government prior to return of a formal 3-year financial planning cycle from 2023-24.

The 2022/23 financial plan identified a £29.3m savings requirement, comprised of a £27.4m recurring savings target and £1.9m non-recurring savings target. During the course of the year recurring savings of £9.0m were delivered, with the residual balance of £20.3m achieved through non-recurring savings initiatives. Achievement of recurring savings targets was delayed by constraints on the availability of key staff to drive forward progress as they continued to be required to focus on immediate frontline service pressures. The unachieved recurring savings balance from 2022/23 has been carried forward and is incorporated financial plan for 2023/24.

Significant Covid legacy costs were incurred during 2022/23 which were partially funded through a combination of Scottish Government funding and IJB reserves carried forward from 2021/22 as summarised in table 4 below. Total Covid legacy costs for NHS Forth Valley amounted to £17.5m against available funding of £13.8m, resulting in a £3.7m pressure that required to be managed in year. Key areas of expenditure related to Test and Protect, delivery of the vaccination programme and temporary staffing costs to cover Covid related sickness absence and to maintain separate covid/non-covid patient pathways/new ways of working.

Table 4: COVID-19 legacy costs 2022/23

2022/23 Health & Social Care Covid Costs	NHS Forth Valley £000s	Clackmannanshire & Stirling IJB £000s	Falkirk IJB £000s	TOTAL £000s
Available funding				
Test & Protect allocation	1,483	0	0	1,483
IJB reserves	12,300	4,861	4,583	21,744
	13,783	4,861	4,583	23,227
Expenditure				
Test & Protect	1,660	0	0	1,660
Covid vaccination programme	5,473	672	141	6,286
Other Covid legacy costs	10,380	4,191	4,283	18,854
	17,513	4,863	4,424	26,800
(Deficit) / Surplus	**(3,730)**	**(2)**	**159**	**(3,573)**

Capital expenditure during 2022/23 amounted to £14.5m, which reflects a broad range of planned capital investment projects including ongoing building works to complete the National Treatment Centre and adjoining car park, information management and technology priorities, purchase of new medical equipment and various facilities and infrastructure schemes (including energy efficiency initiatives, statutory health and safety requirements and premises upgrades).

Payment Performance

The Scottish Government and NHS Forth Valley are committed to supporting businesses in the current economic situation by paying bills more quickly to support the sustainability and resilience of our key supply chain networks. In line with the Scottish Government's prompt payment policy, the aim is to achieve payment of all undisputed invoices within 10 working days across all public bodies. Performance against the prompt payment policy is summarised in table 5 below.

Table 5: Payment performance 2022/2023

Payment performance	2022/23	2021/22
Average period of credit taken	14 days	12 days
Total number of invoices	93,006	83,475
Total number of invoices paid within 30 days	84,346	77,343
Percentage of invoices paid within 30 days:		
- by volume	90.69%	92.65%
- by value	94.83%	95.96%
Percentage of invoices paid within 10 days:		
- by volume	77.57%	83.65%
- by value	85.54%	90.28%

Sustainability and Environmental Reporting

The Climate Change (Scotland) Act 2009 originally set out measures adopted by the Scottish Government to reduce emissions in Scotland by at least 80% by 2050. The Climate Change (Emissions Reductions Targets) (Scotland) Act 2019 amended this longer-term target to net-zero by 2045, five years in advance of the rest of the UK. In 2020 'The Climate Change (Scotland) Amendment order came into force to reflect this and now requires NHS Boards to report on their progress in delivering their emissions reduction targets.

All designated Major Players (of which NHS Forth Valley is one) are required to submit an annual report to the Sustainable Scotland Network detailing compliance with the climate change duties imposed by the Act and the Amendment order. The information returned by the Board is compiled into a national analysis report, published annually and superseding the prior requirement for public bodies to publish individual sustainability reports.

Further information on the Scottish Government's approach can be found in the Climate Change Plan 2018-2032 while national reports can be found at the following resource: https://sustainablescotlandnetwork.org/reports

Progress in terms of responding to the climate emergency was affected by the Covid-19 pandemic and in November 2021 DL (2021) 38[6], the NHS Scotland Policy on the Climate Emergency and Sustainable Development, came into force. DL38 is underpinned by the NHS Scotland Climate Emergency and Sustainability Strategy: 2022 - 2026 that was published on 16 August 2022[7].

These documents clearly set out what NHS Scotland Boards are expected to do to mitigate the impacts of climate change and shift onto a net-zero trajectory. The Scottish Government has set out challenging aims and targets for NHS Scotland's response to the climate emergency and environmental sustainability.

The Scottish Government Health & Social Care Directorates (SGHSC) have established an NHS Scotland Climate Emergency and Sustainability Board to provide leadership and governance and to monitor each Board's efforts in responding to the global climate emergency.

NHS Boards are required to:

- Reduce carbon emissions to net-zero by 2040 and decarbonise the NHS Scotland estate by 2038 (i.e., no gas heating)
- Reduce energy use and resource consumption
- Promote/deliver environmentally sustainable models of care
- Support establishment of a circular economy
- Make better use of greenspace as part of the healing/caring process and to support biodiversity
- Support procurement of sustainable goods and services
- Reduce pollution resulting from the Board's activities
- Promote more environmentally sustainable methods of accessing health care, such as active travel and public transport

Each NHS Scotland body must publish an annual report on its public website by November each year summarising its progress against the aims of DL38[8]. This report is in addition to existing annual climate change reporting and the National Sustainability Assessment that is carried out annually by all NHS Scotland Boards.

[6] https://www.sehd.scot.nhs.uk/dl/DL(2021)38.pdf
[7] Supporting documents - NHS Scotland climate emergency and sustainability strategy: 2022-2026 - gov.scot (www.gov.scot)
[8] NHS-FV-Annual-Climate-Emergency-and-Sustainability-Report-21-22.pdf (nhsforthvalley.com)

Key Issues and Risks

Our escalation to Stage 4 of the NHS Scotland Performance Escalation Framework for concerns relating to Governance, Leadership, Culture, included a range of performance-related issues notably in GP and Primary Care Out of Hours services, unscheduled (emergency) care, and mental health. These are key areas of work and focus for NHS Forth Valley with programme management and enhanced support in place to deliver sustained improvement.

Looking ahead to 2023/24 we remain committed to continuing to deliver high quality and positive health and care outcomes for the people of Forth Valley. Widespread service stabilisation, reform and transformation is not without risk, and we acknowledge the challenges as we manage its legacy of long waits and widening inequalities. It is critical to acknowledge the health and care services need to change in response to the different population health needs associated with changing demographics and epidemiology.

The importance of continuing to review and update local Plans in response to changing socio-economic circumstances and ongoing recovery from a pandemic requires us to work differently to support improvements in population health.

Prioritisation of early intervention and realistic medicine is crucial in shifting the focus from acute services. NHS Forth Valley has made building a Realistic Medicine network a priority. At a strategic level, 'Working as a System' is one of our five Forth Valley Quality Strategy priorities and, work is underway to ensure Realistic Medicine principles are incorporated in system wide strategic planning and decision making. Our aims are to embed Personalised Care and Shared Decision Making, ensuring professionals have the education, skills, knowledge, and support to practice Realistic Medicine using Realistic Medicine tools and eLearning packages.

Covid-19 helped us embed the use of technology across NHS Scotland and we continue to support the acceleration of digital services and innovation to improve patient outcomes and experiences, where appropriate.

NHS Forth Valley has delivered a balanced budget for 2022/2023 however a range of measures to deliver ongoing service transformation, cost improvement and efficiencies will be required to address financial sustainability going forward. The scale of the financial challenge over the next 3 years is unprecedented, and the Board's 3-year financial plan 2023/24 to 2025/26 outlines significant projected deficits in all 3 years.

The 2023/24 Financial Plan approved at the NHS Board meeting on 28th March 2023 set out an initial £40.6m deficit partly offset by a £25m savings plan, resulting in a projected £15.6m residual gap for the year. We continue to focus all efforts on addressing the residual deficit as far as possible. To date, the key areas of focus for savings are reductions in temporary supplementary staff, improvements in absence management, closure of contingency beds, improved cost effectiveness of medicines expenditure and embedding realistic medicine principles and implementing digital enablers to support more efficient, sustainable workflows and pathways. It is recognised that savings delivery remains high risk at this stage and this will continue to be monitored and reviewed as the year progresses.

The impact of wider economic price inflation is also a key factor, particularly in relation to procurement of routine non-pay items including consumables and medicines, annual movements on contract prices with a particular impact on high value annual payments which are aligned to general or Retail Price Index inflation rates, and capital investment costs due to changes in market prices.

The strategic risk register includes a risk of maintaining financial sustainability, which is currently scored as very high. This reflects the unprecedented financial challenge in the post

covid operating environment and the risks in relation to ongoing capacity, workforce pressures and delayed discharge profile which are driving increased use of temporary staffing and contingency beds along with the impact of the current economic climate.

The Board's Strategic Risk Register is regularly reviewed, updated, and presented to our Health Board along with details of the action being taken to mitigate these. Each strategic risk has been aligned to one of the standing assurance committees (Clinical Governance Committee; Performance & Resources Committee; Staff Governance Committee). Focused reviews of each Strategic Risk have been timetabled at relevant assurance committees throughout 2023/2024.

Board papers can be found here:
NHS-Forth-Valley-Board-Meeting-Papers-28-March-2023.pdf (nhsforthvalley.com)

Performance Report Approval

The Performance Report, comprising the Overview and Performance Analysis, is approved for issue.

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Mrs Cathie Cowan
Chief Executive
23 June 2023

FORTH VALLEY NHS BOARD
ANNUAL ACCOUNTS YEAR ENDED 31 MARCH 2023 ACCOUNTABILITY REPORT

1. CORPORATE GOVERNANCE

1.1 DIRECTORS' REPORT

Date of Issue
The Accountable Officer authorised these financial statements for issue on 23 June 2023.

Appointment of auditors
The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. Public audit appointments in Scotland are rotated on a 5-year cycle in order to maintain External Auditors' independence. 2022/23 marks the start of a new 5-year cycle and the Auditor General has appointed Deloitte LLP as NHS Forth Valley's external auditor for this period. The general duties of the auditors of health bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland, and approved by the Auditor General.

Board membership
Under the terms of the Scottish Health Plan, the Health Board is a Board of governance whose membership will be conditioned by the functions of the Board. Members of Health Boards are selected on the basis of their position or the particular expertise which enables them to contribute to the decision making process at a strategic level.

The Health Board has collective responsibility for the performance of the local NHS system as a whole, and reflects the partnership approach, which is essential to improving health and health care.

The members of the NHS Board who served during the year from 1st April 2022 to 31st March 2023 were as follows:

Non-Executive Members

Ms Janie McCusker	Chair
Mr Martin Fairbairn	Non-Executive Director
Mr John Ford	Non-Executive Director (until July 2022)
Mr Gordon Johnston	Non-Executive Director
Mr Stephen McAllister	Non-Executive Director
Dr Michele McClung	Non-Executive Director
Mr Allan Rennie	Non-Executive Director
Mr John Stuart	Non-Executive Director

Local Authority Members

Cllr Fiona Collie	Non-Executive Director (until 30 April 2022) (from 16 June 2022)
Cllr Wendy Hamilton	Non Executive Director (from 16 June 2022)
Cllr Danny Gibson	Non Executive Director (from 16 June 2022)
Cllr Susan McGill	Non-Executive Director (until 30 April 2022)
Cllr Les Sharp	Non-Executive Director (until 30 April 2022)

Advisory Committee Chairs / Employee Director

Mrs Kirstin Cassells	Non-Executive Director - Chair Area Clinical Forum
Mr Robert Clark	Non-Executive Director - Employee Director

Executive Members

Mrs Cathie Cowan	Chief Executive
Mrs Frances Dodd	Executive Nurse Director (from 1 October 2022)
Miss Linda Donaldson	Director of Human Resources
Dr Graham Foster	Director of Public Health and Strategic Planning
Mr Andrew Murray	Medical Director
Mr Scott Urquhart	Director of Finance
Prof. Angela Wallace	Director of Nursing (until 17 April 2022)

Statement of Board Members' Responsibilities

Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the Health Board as at 31 March 2023 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for the NHS Scotland by Scottish Ministers.
- Make judgements and estimates that are reasonable and prudent.
- State where applicable accounting standards as set out in the Financial Reporting Manual have not been followed where the effect of the departure is material.
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Board will continue to operate.

The Health Board members are responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Board and enable them to ensure that the accounts comply with the National Health Service (Scotland) Act 1978 and the requirements of the Scottish Ministers. They are also responsible for safeguarding the assets of the Board and hence taking reasonable steps for the prevention of fraud and other irregularities.

The NHS Board members confirm they have discharged the above responsibilities during the financial year and in preparing the accounts.

Board members' and senior managers' interests

A full register of interests of Board members was updated in January 2023 and is available from the NHS Forth Valley website, at the following address:
https://nhsforthvalley.com/about-us/board-matters/code-of-conduct/

Directors third party indemnity provisions

There have been no qualifying third party indemnity provisions in place for Directors at any time during the financial year.

Remuneration for Non audit work

During the year 2022/23 the Board's external auditors, Deloitte, undertook no non-audit work.

Information Commissioner (ICO) Reported Incidents

Details are provided within the Governance Statement (section 1.3 and Table 6), following this section.

Public Services Reform (Scotland) Act 2010

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose duties on the Scottish Government and listed public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year.

Forth Valley NHS Board fully meets the requirements of the Public Services Reform (Scotland) Act 2010 and disclosure details can be found at the following web-link:
http://www.nhsforthvalley.com/publications/financial-information

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Board's auditors are unaware; and each Director has taken all the steps that he/she ought reasonably to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

1.2 STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

Under Section 15 of the Public Finance and Accountability (Scotland) Act, 2000, The Principal Accountable Officer (PAO) of the Scottish Government has appointed me as Accountable Officer of Forth Valley NHS Board.

This designation carries with it, responsibility for:

- the propriety and regularity of financial transactions under my control;
- the economical, efficient and effective use of resources placed at the Board's disposal and
- safeguarding the assets of the Board.

In preparing the Accounts I am required to comply with the requirements of the Government's Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Scottish Ministers including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government's Financial Reporting Manual have been followed and disclose and explain any material departures; and
- prepare the accounts on a going concern basis.

I confirm that the Annual Report and Accounts as a whole are fair, balanced, and reasonable and the judgements required for that is fair, balanced, and understandable.

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as accountable officer as intimated in the Departmental Accountable Officers letter to me on 16 November 2017.

FORTH VALLEY NHS BOARD
ANNUAL ACCOUNTS YEAR ENDED 31 MARCH 2023 ACCOUNTABILITY REPORT

1.3 GOVERNANCE STATEMENT

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with Forth Valley NHS Board's policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. In pursuing a Health Board that is performing to a high standard, I am mindful of ensuring that the best interests of patients are central to all that we do. I am also responsible for safeguarding the public funds and assets assigned to Forth Valley NHS Board.

I confirm that NHS Forth Valley is compliant with the aspects of the Scottish Public Finance Manual (SPFM) which are set out within the guidance issued to Chief Executives and more generally to all Board members by the Scottish Government Health Directorates as being applicable to NHS Boards.

In terms of enabling me to discharge my responsibilities as Accountable Officer, the following arrangements and processes have been in place throughout the financial year to manage risk within the organisation:

- A Board which meets regularly to consider the plans and strategic direction of the organisation and approve decisions in line with the Scheme of Delegation. The Board comprises the Executive members of the organisation and Non-Executive members.
- A single system of governance and risk management arrangements with clear supporting lines of accountability and agreed Scheme of Delegation, Standing Financial Instructions and Standing Orders.
- The consideration by the Board of minutes and reports from Performance & Resources (including Information Governance), Staff Governance, Clinical Governance, Remuneration and Audit and Risk Committees, concerning any significant matters on governance, risk, and internal controls.
- Prioritisation of risks and allocation of responsibility for mitigating action to named senior officers.
- A focus on Best Value and a commitment to ensuring that resources are used efficiently, effectively, and economically taking into consideration equal opportunities and sustainable development requirements.

Purpose of Internal Control

The Health Board has a corporate responsibility for ensuring that arrangements are in place for the conduct of its affairs, including compliance with applicable guidance and legislation, and ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Health Board has an ongoing responsibility to ensure that it monitors the adequacy and effectiveness of these arrangements in place. The system of internal control is based on an ongoing process designed to identify, prioritise and manage the principal risks facing Forth Valley NHS Board. The system aims to evaluate the nature and extent of risks, and manage risks efficiently, effectively and economically.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's aims and objectives. As such, it can only provide reasonable and not absolute assurance. The process within Forth Valley NHS Board accords with guidance from Scottish Ministers in the SPFM and supplementary NHS guidance and has been in place for the year up to the date of approval of the annual report and accounts.

The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy, and promotes good practice and high standards of propriety.

Functions of the Health Board

An effective Health Board articulates an ambition for their organisation whilst managing the risk contained within that ambition and demonstrating leadership by undertaking three key roles:

- Formulating strategy and setting direction including the development of an Annual Operational Plan
- Ensuring commitment and accountability by holding the organisation to account for performance and the delivery of both improvement in population health/addressing health inequalities and individual experience of care whilst operating within a context of affordability and sustainability
- Shaping a positive culture that is open, just and fair, for the Health Board and the wider organisation

Responsibilities of Members of the Board

Membership of Forth Valley NHS Board carries with it a collective and corporate responsibility for the discharge of these functions. All members are expected to bring an impartial judgement to bear on issues of strategy, performance management, key appointments and accountability, upwards to Scottish Ministers and outwards to its partners and wider local community. It is the duty of the Chair and me as Chief Executive to ensure that Board Members and staff understand their responsibilities. Board Members and Managers receive an updated copy of the Code of Corporate Governance annually. The Code of Corporate Governance is kept under review and amended as necessary to reflect current policy and guidance, and the work nationally to improve and standardise governance across NHS Scotland. The Board Secretary maintains a list of managers to whom the Code of Corporate Governance has been issued. Managers are responsible for ensuring their staff understand their own responsibilities.

The Health Board has governance arrangements in place which provide an integrated approach to governance across clinical areas, staff arrangements, involving and engaging people in our service, developments, and performance management. The conduct and proceedings of the NHS Board are set out in its Code of Corporate Governance; this document specifies the matters which are solely reserved for the NHS Board to determine, the matters which are delegated under the Scheme of Delegation and the matters which are remitted to a Standing Committee of the NHS Board. The Code of Corporate Governance also includes the Code of Conduct that Board members must comply with, along with the Standing Financial Instructions. These documents are the focus of the NHS Board's Annual Review of governance arrangements. The NHS Forth Valley NHS Board reviews and approves the Code of Corporate Governance each year. The Standing Orders are made in accordance with The Health Boards (Membership and Procedure) (Scotland) Regulations 2001.

The Non-Executive members provide constructive scrutiny and challenge, and this is evidenced in minutes of Health Board and Board Assurance meetings. In addition to the Code of Conduct for Members, the NHS Board has set Corporate Objectives. All Health Board Executive directors review their development needs as part of the annual performance management and development process.

Governance Framework

The NHS Board is responsible for the strategic leadership and governance for the NHS system across Forth Valley. The NHS Board is managed by a Board of Executive and Non-Executive Directors and is accountable to the Scottish Government through the Cabinet Secretary for NHS Recovery, Health and Social Care.

The Chair and Non-Executive Directors are appointed by the Cabinet Secretary based on the expertise and skills required to contribute to local strategic decision-making processes. There is an induction process in place for all new Board members which includes meeting key members of staff and attendance at bi-monthly briefing sessions on key strategic issues. Non-Executive members receive an annual performance appraisal and opportunities for training are made available through follow up with individual Directors as appropriate.

The Board and its six standing Governance Committees meet throughout the year to consider issues within their remit including governance, performance, and the management of risk.

Stage 4 Escalation

As detailed within the Accountable Officer's Overview Report NHS Forth Valley was escalated to Stage 4 of the NHS Scotland Performance Escalation Framework for concerns relating to Governance, Leadership and Culture on the 23 November 2022. An external review of governance arrangements is in progress as part of the NHS Board response to escalation to Stage 4 of the NHS Scotland Performance Escalation Framework. The review is expected to conclude in June 2023.

An Escalation Improvement Plan was approved by the NHS Board on 19 December 2022 with version 2 of the plan approved on 28 March 2023.

A number of performance related concerns were also highlighted in the Escalation letter issued by the Director General of Health & Social Care and CEO of NHS Scotland. These related to:

- GP Out of Hours (OOH) Services
- Urgent & Unscheduled Care
- Child & Adolescent Mental Health Services (CAMHS)
- Psychological Therapies
- Health and Social Care Integration

The NHS Board, in December 2022, approved a governance structure to direct and oversee the delivery of the Plan and the ongoing sustainable improvement whilst the NHS Board remains in escalation. An Escalation Programme Board, led by the Chief Executive and whose membership is made up of the Chairs of the Area Clinical Forum and Area Partnership Forum and members of the Executive Leadership Team, meet to ensure delivery of the actions as set out in the approved Plan. The Programme Board reports to an Escalation Performance and Resources Committee. The Escalation Performance and Resources Committee has met on three occasions to consider progress with the agreed actions, risks to delivery, internal and external communication and measurement of improvements,

NHS Board Issues

Following a change in board operating arrangements throughout the pandemic, the regular programme of formal meetings resumed in April 2021, with a return to meetings in-person throughout 2022/2023. The NHS Board met every two months.

Two special Boards were held in 2022 with a programme of Board Seminars or development sessions scheduled throughout the year.

Every NHS Board meeting started with a patient or staff story. A number of standing items were presented to each meeting of the NHS Board. These include the Healthcare Associated Infection Reporting Template, Performance Scorecard and Finance Report.

The NHS Board approved the Major Incident Plan, Risk Management Strategy 2022 – 2025, Strategic Workforce Wellbeing Plan 2022 – 2025, Innovation Plan 2022 – 2027, revised Committee Structure for 2022/2023, Code of Corporate Governance, Workforce Plan 2022 – 2025, Schedule of Meeting 2023/2024, Escalation Improvement Plan v1 and v2 and Corporate Plan and Corporate Objectives.

The NHS Board received regular minutes from standing assurance committees, namely, Audit and Risk, Clinical Governance, Performance and Resources and Staff Governance. In addition, minutes from the two Integration Joint Boards were presented along with their Annual Reports.

Significant topics discussed during the year at the Board and at Governance Committees included:

- Establishing Anchor Institution

Board members noted that the Anchor concept was a key priority for Government and features in one of the Government's Care and Wellbeing Programmes, with an expectation that Health Boards implement the concept. 'Anchor' related activities were ongoing e.g., the partnership with the University and College and how this in turn links to learning and employment opportunities for the people of Forth Valley. Such work was noted to feature highly in the Board's partnership approach.

- Whistleblowing Standards and Activity Report

Board members noted that numbers remain very low in terms of Whistleblowing which is being mirrored across NHS Boards. It was highlighted that the Key Performance Indicators for the Board were where they need to be with NHS Forth Valley being on target.

- Climate Change and Sustainability

Board members noted that a national NHS Scotland Climate Sustainability Board had been established to provide leadership, governance, and monitoring NHS Board's efforts in responding to the global climate emergency. Five national priority areas were highlighted with the requirement to establish a strong management response to reduce carbon emissions to net-zero by 2040.

- ED Improvement Action Plan

Each of the Board Directors were noted to be leading on the area of delegated responsibility placed on each of the Assurance Committees. Board members noted that the role of each Assurance Committee was to oversee ED recommendation implementation, monitor progress and escalate issues and/or risks to the Board.

- Equality and Inclusion

The Board received an update in relation to progress with the strategy including learning from the pandemic and changes implemented to aspects of service delivery as a result.

- Strategic Risk Register

The Register was presented to the NHS Board quarterly for approval noting that risks were reviewed by the relevant assurance committee prior to presentation to the NHS Board.

- Annual Review 2021 Letter

The NHS Board Chair informed the Board that both herself and Mrs Cowan were invited to the Annual Review 2020/2021 meeting held via video conference on Wednesday 27 April 2022 chaired by Maree Todd, Minister for Public Health, Women's Health, and Sport, noting that it was a very productive and balanced annual review meeting.

- Communications Update

The NHS Board received three updates on the work of the Communications Team throughout 2022/2023.

- Anchor Contribution

The Board received a progress update in respect of its earlier agreement in May 2022 to establish an Anchor Board.

- Preparing for Winter, Developing Future Sustainable Services

Board members noted the significant and ongoing pressures system wide. A whole system response was presented detailing the steps taken to respond to demand with partners and provide alternatives, increase capacity, and support the wellbeing of the workforce, including investment approvals that were or had been implemented.

- Integration Update

The NHS Board received assurance on the progress being made in regard to the implementation of the agreed Integration Action Plan.

- iMatter Update

Progress in relation to previous iMatter surveys and the work underway to prepare for the 2023 survey were detailed.

- Escalation Improvement Plan Update

A comprehensive update against the actions within the Escalation Improvement Plan was presented along with updates in relation to the HIS improvement plan, Out of Hours, Integration and the performance areas of concern, namely, unscheduled ace, psychological therapies and child and adolescent mental health.

- Best Value Framework

Following consideration by the Audit and Risk Committee the Framework was presented to the NHS Board detailing the five Best Value themes and referencing Vision & Leadership and Governance & Accountability.

- Person Centred Complaints and Feedback Report

The report provided the NHS Board a comprehensive review of complaints activity across NHS Forth Valley taking into account the number of complaints received, local resolution, compliance with the 20 day national target, SPSO referrals and examples of actions taken following complaints.

Details of the Governance Committees including their functions are set out below.

- <u>Audit and Risk Committee</u>

An effective Audit and Risk Committee is essential to a strong corporate governance culture within the NHS Board. The Committee requires to have effective communication with all key stakeholders including Internal Audit, External Audit, and other relevant assurance providers.

The duties of the Audit and Risk Committee are set out in the NHS Board Standing Orders and in the Scottish Government's Audit and Assurance Committee Handbook. The key purpose of the Committee is to provide assurance that NHS Board activities including patient's funds and endowment funds are:

- within the law and regulations governing the NHS; and
- that an effective system of internal control to give reasonable assurance that assets are safeguarded, waste or inefficiency avoided, reliable financial information

produced, and value for money continuously sought.

The effectiveness of internal controls is assessed by internal audit through reporting and follow up procedures, and a robust risk management programme is in place to identify and manage organisational risks.

The Audit and Risk Committee has a responsibility for reviewing the disclosures included in the Board's Annual Governance Statement.

The Audit and Risk Committee met on four occasions throughout 2022/2023. The Committee considered a combination of routine and specific work areas during the financial year. The routine work was largely in relation to internal financial controls, internal and external audit plans and internal and external audit reports. Specific areas of work were considered in line with the Committee remit including:

- Receiving and reviewing quarterly and annual reports issued by Counter Fraud Services (CFS) including the review and consideration of cases relevant to NHS Forth Valley
- Review of Post Transaction Monitoring process
- Consideration given to impact of updates to the Payment Verification Process for Primary Medical Services
- Regular review and consideration of reports issued relating to the Audit Follow-up process to enable assurance to be provided to the NHS Board that agreed protocols are being followed
- Review and approval of Audit Follow-Up procedures in line with guidance held within the Audit Protocol
- External Audit Annual Plan for 2022/23
- Review and consideration of reports on specific aspects of control environments and performance audits on areas requested by NHS Forth Valley

Internal and External Audit colleagues usually attend the Audit and Risk Committee. In addition, service managers and Directors regularly attend to provide information and assurance and to participate in discussions.

- Clinical Governance Committee

The Clinical Governance Committee is responsible for providing the NHS Board, patients, and the public with assurance, that the framework, systems, and processes to deliver Clinical Governance and Clinical Risk Management are robust and working effectively to deliver the highest standards of healthcare, including health improvement and health protection activities.

The Clinical Governance Committee fulfils its purpose by receiving and considering information, reports, and documents on Complaints Performance, Clinical Risk, Significant Adverse Events, and Standards and Review Reports. The Committee reviews relevant risks and adverse events.

The Clinical Governance Committee met on four occasions in 2022/2023 however as we move into 2023/2024 this has been increased with six meetings scheduled.

The Committee considered both routine and specific work areas during the financial year 2022/23 with meeting agendas structured following the Vincent Framework[9] and carried into the meeting throughout the year to demonstrably provide assurance of safe care. The Committee also focused on the outcomes and requirements following the Healthcare Improvement Scotland (HIS) inspections in April 2022 and September 2022 ensuring working and oversight arrangements to enable support for delivery of improvements.

[9] https://www.health.org.uk/publications/the-measurement-and-monitoring-of-safety

- Endowment Committee

The purpose of the Endowment Committee is to ensure that Endowment Funds held in trust comply with the relevant laws and regulations and that an effective system of financial control is in place. In so far as they are able, the Committee administers the Endowment Funds in accordance with the wishes of donors.

The External Auditors to the Endowment Fund are Dickson Middleton & Co. Chartered Accountants. The Committee received satisfactory reports from External Audit confirming that the financial statements and the administration of the Endowment Funds complied with Charity Law and Accounting Standards.

The Endowment Committee met on 4 occasions in 2022/2023 to administer and monitor the utilisation of all Endowment Funds to ensure compliance with the Endowment Committee's Policies and Objectives. All meetings were quorate, with the exception of the October 2022 meeting. All decisions for approval were ratified at the January 2023 meeting.

- Performance and Resources Committee

The Performance and Resources Committee has a key role on behalf of the Board to scrutinise financial and operational performance and to establish that corrective actions are taken accordingly. The committee ensures the production of an Annual Plan, incorporating the Board's Financial Plan, Capital Plan and Annual Operational Plan, setting out the overall direction for the year for Board approval, and ensures actions are in place to support the delivery of the plan. In addition, the committee ensures that the NHS Forth Valley delivers its statutory obligation to comply with information governance and General Data Protection Regulation and maintains an overview of the work to deliver improvements in Information Governance ensuring appropriate prioritisation of this work.

The Performance and Resources Committee met on six occasions in 2022/2023 and considered both routine and specific work areas. Meeting agendas considered urgent business, financial and performance issues, and scrutiny of key issues around priorities and recovery from the Covid-19 pandemic as the Board works to stabilise and improve. Throughout the year there was a focus on issues in relation to unscheduled care and delivery of the 4-hour emergency access standard through the development of future sustainable services and whole system response.

Presentations were received focusing on areas of concern where there were performance issues or challenges including, cancer services, child and adolescent mental health services, psychological therapies. This provided the committee with an opportunity to understand some of the complexities involved in delivery of services and the challenges faced whilst ensuring that all avenues were being pursued in respect of the management of risks and improving performance.

- Pharmacy Practices Committee

The role of the Pharmacy Practices Committee is to consider, determine and approve or reject applications for inclusion in the Pharmaceutical List in accordance with the NHS (Pharmaceutical Services) (Scotland) Regulations 2009 and the NHS (Pharmaceutical Services) (Scotland) Amendment Regulations 2011 and 2014. The Committee meets as required on receipt of applications.

Pharmacy Practices Committee met on one occasion in 2022/2023 to consider an application.

- Staff Governance Committee

The Staff Governance Committee is responsible for providing assurance to the Board that staff are appropriately trained to deliver high quality patient care, built upon partnership and integration, and that an appropriate approach is in place to deal with staff risk management

across the system including health and safety. The Committee review relevant risks and adverse events.

The Staff Governance Committee met on four occasions in 2022/2023 and considered both routine and specific work focusing on staff wellbeing and staff absence issues.

The Area Partnership Forum meets on a monthly basis and has the role of overseeing implementation of the Staff Governance Standard and specifically Health and Safety. Activities and issues are reported to the Staff Governance Committee.

Corporate Governance

Following the publication of DL (2019)02 to NHS Scotland Health Boards and Special Health Boards – Blueprint for Good Governance, a self-assessment was undertaken by NHS Forth Valley Board members to understand good practice and areas for further development. As required, the Blueprint Self-Assessment report and Improvement Plan were submitted to the Cabinet Secretary at the end of April 2019. An Improvement Plan was approved which set out the areas identified by NHS Board members where there were opportunities for further development in line the five functions of the Governance System; Setting the Direction, Holding to Account, Assessing Risk, Engaging Stakeholders and Influencing Culture. An update, including the Governance Improvement Plan, was last presented to the NHS Board in January 2022[10] to assure the NHS Board that work is continuing to fulfil its requirements in relation to Active Governance which comprises of 2 linked components: the ongoing development of a Board Assurance Framework which will reinforce strategic focus and better management of risk by providing the necessary information to assist NHS Boards obtain assurance, and a development programme for NHS Board members to ensure that all members can engage with the information and make informed decisions not only in regard to what is happening in our NHS Board but also have a regard to the wider strategic and policy context in which our NHS Board operates within.

The NHS Scotland Blueprint for Good Governance: second edition[11] was published in December 2022 and includes a definition of what is meant by 'good', placing more emphasis on the delivery mechanisms and the need to apply a continuous improvement approach to healthcare governance arrangements. Consideration of the approach to the governance of change now features more prominently in the design of the governance arrangements. The updated guidance also highlights the need for NHS Boards to adopt both active and collaborative approaches to governance.

In taking cognisance of the revised Blueprint for Good Governance and the external review of governance arrangements which aligns to the Blueprint it was agreed that the next update would follow after the conclusion of the review.

In May 2023, the NHS Board is expected to review 2022/23 assurance committees' performance by way of presentation and receipt of Annual Reports, drafted and approved by the respective committee. The annual reports of the assurance committees confirm compliance with their annual work plans and the fulfilment of their roles and remits. Assurance Committee annual reports are an opportunity to reflect on the year just gone and are used to consider overall progress and key issues going forward.

Policies and Procedures

The Board Standing Orders, including the Scheme of Delegation and Standing Financial Instructions, detail the governance arrangements under which the Board operates; the decisions retained for the Board; and the remits and proceedings of the Board sub-committees. The Standing Orders are reviewed, updated and presented for approval annually to the NHS Board and as required throughout the year to take account of changes in policy.

[10] NHS-FV-Board-Meeting-Jan-25th-2022.pdf (nhsforthvalley.com)

[11] Supporting documents - NHS Scotland - blueprint for good governance: second edition - gov.scot (www.gov.scot)

The annual review of the Code of Corporate Governance including Standing Orders, Standing Financial Instructions and Scheme of Delegation has been deferred until completion of the review of governance arrangements which is expected to conclude in June 2023. A full review was undertaken in March 2022 and a further update was presented for approval at the Board meeting in September 2022[12] following a number of amendments in relation to Corporate Objectives, Committee Terms of Reference, the Risk Management Strategy and the Model Code of Conduct.

All members of staff are responsible for compliance with relevant laws and regulations set out within the Standing Orders and other organisational policies. Organisational policies are reviewed regularly and are made available for access through the staff intranet site. SGHSCD guidance documentation is logged and distributed internally for action and follow up by named individuals.

Staff Governance

Our staff continue to be our greatest asset within NHS Forth Valley. Given the current pressures within health and social care, our staff are at risk of poor wellbeing, burnout and moral injury, which in turn directly impacts upon our absence rates, turnover rates, talent retention, employee satisfaction and our ability to provide safe and effective person-centred care. Consequently, NHS Forth Valley fully understands and supports the necessity to make Staff Support and Wellbeing a top priority. NHS Forth Valley has developed and implemented Staff Support and Wellbeing initiatives in line with national guidance. Support has continued to be provided to staff at work, to staff self-isolating, to enable home working and to those staff returning from a prolonged period of shielding.

The Business Code of Conduct Policy describes the minimum standards of conduct expected from all staff. The policy details the Board's regulations on a range of issues including gifts, hospitality, outside interests and secondary employment, and contains specific information on purchasing goods and services, contracting, whistle-blowing and contact with the media. The policy is currently being reviewed.

There is a clear mechanism in place to enable employee concerns to be dealt with quickly and effectively (Managing Employee Concerns Policy). The Area Partnership Agreement outlines the roles, responsibilities and behaviours of Forth Valley NHS Board, managers, employees and staff representatives. The Area Partnership Forum and Local Partnership fora aim to develop and promote a blame free culture which enables all employees to raise individual and collective concerns and to have these dealt with in a proactive, non-threatening way.

NHS Forth Valley launched its Speak up initiative in December 2021 as a confidential, impartial service delivered by 2 trained ambassadors and 6 advocates. Monthly meetings of the Speak Up Ambassadors, senior human resources staff and staff side are held to provide support and share good practice. The service aims to ensure staff are heard and to make it easier to raise concerns. It is open to all NHS Forth Valley employees. To support the new service, two Speak Up Ambassadors and several Speak Up Advocates, have been appointed to provide guidance and support.

The National Whistleblowing Standards came into effect across NHS Scotland on 1 April 2021. Mr Gordon Johnston, Non-Executive Board Member, had been appointed as the Whistleblowing Champion for NHS Forth Valley. The role of the Whistleblowing Champion is to further promote a culture of openness and transparency in NHS Scotland, and to seek and provide assurance that Boards are complying with Whistleblowing Standards. Two online training modules, one for staff and one for managers are available on Turas Learn. The Whistleblowing Standards also cover GP's and other contractors. An update on the implementation of the Whistleblowing Standards and the Whistleblowing activity in NHS

[12] NHS-Forth-Valley-Board-Meeting-Papers-27-September-2022.pdf (nhsforthvalley.com)

Forth Valley is presented to the NHS Board on a quarterly basis[13].

The existing Whistleblowing arrangements have recently been reviewed and a network of support for the staff supporting whistleblowing Confidential Contacts, lead investigators, decision-making and administrative support has been arranged. In addition, it was identified that the number of Confidential Contacts was insufficient with additional contacts currently being identified.

Information Governance

Information Governance enables NHS Forth Valley, and those working within it, to ensure that information is handled legally, securely, efficiently and effectively. Managing information well enables us to deliver the best possible care.

The Information Governance Unit (IGU) supports services to implement appropriate standards and practices to ensure the Board complies with a suite of legal obligations and best practice relating to the common law of confidentiality, data protection, access to information, records management, cyber security and the Caldicott principles. The IGU is accountable to the Medical Director / Caldicott Guardian, who has responsibility for Information Governance within their portfolio, and to the Director of Finance who is the Senior Information Risk Owner (SIRO). Information Governance activity is monitored by the Information Governance Group which reports routinely to the Performance and Resources Committee.

The Head of Information Governance, Deirdre Coyle, retired in June 2022 and the team was joined by Sarah Hughes-Jones in July. As a result of the change in leadership, the refresh of the Information Governance Strategy was postponed to the 2023/24 workplan. The focus of 2022/23 was development and assurance: providing NHS Forth Valley with confidence around the current controls within this area and ensuring they were fit for purpose to manage and monitor risks for the long-term. In particular, the Executive Leadership Team cemented its commitment to effective management of cyber security risk by approving the permanent retention of the Cyber Security team.

Throughout 2022/23, key policies and processes have been reviewed and refreshed. Tools to support compliance have also been developed and embedded. Procedures to assist the completion of data protection assessments and manage security incidents (including data breaches and cyber security incidents) have been designed, trialed, and adopted. The Information Asset Register has also continued to be progressed. The IGU is also responsible for supporting GP practices manage their information governance obligations, and therefore conducted an audit of GP Practices to assist their understanding and development of information governance maturity.

Colleagues are encouraged to report all potential data protection breaches (including near misses and low-level incidents or concerns) to the IGU. This is to ensure that NHS Forth Valley builds a culture where incidents are routinely reported and assessed, and opportunities to learn and / or take preventative action are identified. The IGU assesses all reported incidents to assess the risk to the individual(s) involved and make recommendations. Where a data protection breach creates a high risk to the individual(s) concerned, the situation is reported to the UK Information Commissioner (ICO). Individuals can also refer complaints to the ICO directly. The number of reportable breaches fell in 2022.

[13] NHS Forth Valley Board Meeting Papers 31 January 2023

Table 6: ICO Reported Incidents

ICO Reported Incidents	2020	2021	2022
ICO Reported / Complaints received	11	9	6

The Corporate Record Management team has continued to provide the primary point of contact for records management advice and assistance for staff across NHS Forth Valley. This includes ensuring that all corporate records are created, used, managed, stored and disposed of throughout their lifecycle, regardless of their age or format and in accordance with our legal and statutory obligations and business requirements. This has included the review and development of policies and procedures to support the effective management and disposal of records. The Board submitted its Records Management Plan in late 2022. Areas for further development include the implementation of the business classification scheme across shared drives and the M365 tenancy, the audit and assessment of records management throughout the Board and the management of records held by third parties.

NHS Forth Valley's information governance arrangements were externally reviewed during this period by the UK Information Commissioner (data protection), NIS Compliance audit (cyber security), and the National Records Office of Scotland (records management). All received favourable outcomes giving confidence that NHS Forth Valley's strategic approach to information governance and cyber security risk is appropriate.

Communication

Members of the public are informed of key service developments and changes via a range of sources including the Board public website, news briefs and social media updates. The Board works closely with key partner organisations to promote stakeholder involvement in the design and delivery of local services and to ensure key health information and messages reach as many people as possible. The Board Communications Strategy 2018-2021 sets out key communications aims, principles and priorities. A refreshed strategy for 2023 – 2026 has been developed, subject to the approval of the Executive Leadership Team. A Media and Communications Policy and the Social Media Policy are in place to support the strategy.

NHS Boards are no longer required to produce a formal Annual Report as much of the financial and performance information previously included is now available in other reports and publications. However, NHS Forth Valley has continued to produce a short summary report[14] to highlight key service developments, achievements, activity and performance during the year. This was presented to the NHS Board on 26 July 2022 and was made available online and promoted via social media.

There are robust procedures in place for recording and investigating complaints in line with national guidance, to allow members of the public to make a complaint or comment regarding their care or treatment. Routine reporting on complaints and response times is in place to ensure learning from events is maximised at both operational and strategic level. The Clinical Governance Committee, which includes lay patient representation, maintains an overview of the Complaints Handling Procedure process. As we move into 2023/2024, NHS Board will regularly receive the Person-Centred Complaints and Feedback Report.

Health & Safety

Effective management of Health & Safety Risk is a fundamental cornerstone of good governance and internal control and is an essential component in delivery of the Health Board's corporate objectives. The Health and Safety Strategy and Governance Framework 2021 – 2024 was approved by NHS Forth Valley Board in September 2021. The Strategy

[14] NHS-Forth-Valley-Board-Meeting-Papers-26-July-2022.pdf (nhsforthvalley.com)

and Governance Framework enables the Health Board to not only meet its legal and statutory obligations but also to pursue a longer goal of exceeding those legal obligations. The document describes NHS Forth Valley's governance framework for Health & Safety and the key objectives which constitute the focus of the three-year strategy. An audit and follow-up programme of the health and safety control books was implemented as part of the strategy programme of works.

Health and Social Care Partnerships

The Public Bodies (Joint Working) (Scotland) Act 2014 established the framework for the integration of adult health and social care services in Scotland. Two Integrated Joint Boards (IJBs) have been established in Forth Valley under the body corporate arrangement (Falkirk IJB, and Clackmannanshire and Stirling IJB) and were formally constituted in 2015/2016. The approved Integration Schemes set out the detail of the integration arrangement, including those services delegated by NHS Forth Valley to the IJBs.

The NHS Director of Finance is responsible for providing the Chief Officer with regular financial information to allow them to manage their budgets. The NHS Director of Finance is also responsible for providing the Chief finance officer of the IJB with the financial information required by the integration scheme as expanded by subsequent agreements, to meet the reporting requirement to the IJB. In advance of each financial year a timetable is agreed with the IJB.

Both IJBs have Integration Schemes which set out responsibilities, governance arrangements and delegated services. In 2022/2023, both IJBs updated their Strategic Plans. The Clackmannanshire and Stirling Strategic Commissioning Plan 2023 – 2033 sets out how services will be delivered across Clackmannanshire and Stirling over the next ten years. The Falkirk Strategic Plan 2023 – 2026 outlines how adult health and social care services will be delivered in Falkirk over the next 3 years. IJB meetings papers are publicly available via the NHS Board website for both Partnerships and Information on IJBs can be accessed from the Board's website[15].

Partnership working has been critical in responding effectively to the Covid-19 pandemic and the recent pressures felt within health and social care. Work continues to further develop opportunities for service improvement and to maximise benefits of integration.

As part of our Escalation Improvement Plan, a review of the Integration Schemes will be undertaken and supported by an external facilitator. This review will assess the integration arrangements in Forth Valley with a particular focus on the NHS Board and implementation of the Public Bodies Act 2014 as per the approved Integration Schemes and will include an assessment of the Ministerial Steering Group (MSG) integration principles. The review, building on previous IJB baselines, will identify areas of strength, weakness and future opportunities to enhance collaborative working in health and care, and the wider public sector. Following conclusion an improvement action plan will be developed.

Best Value

In accordance with the principles of Best Value, the Board aims to embed quality at all levels throughout the organisation using models of continuous improvement, the ethos being quality is everyone's business with the links between frontline services to the Board. As part of this, Directors and managers are encouraged to review, identify, and improve the efficient and effective use of resources. I can confirm that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual. An updated paper on the Best Value framework and supporting evidence was presented to the Audit and Risk Committee on 20 January 2023, providing a summary of arrangements in place and an update on activity. The Framework is intended to illustrate the arrangements by which the Board of

[15] http://nhsforthvalley.com/about-us/health-and-social-care-integration/

NHS Forth Valley ensures it can demonstrate continuous improvement in performance whilst maintaining a balance between quality and cost. In making these arrangements and securing the balance the NHS Board has had regard to the economy, efficiency, effectiveness, equal opportunities, and sustainability. The NHS Board was asked to consider the Best Value Framework on 31 January 2023.

Review of Performance

The most recent Annual Review was held on 27 April 2022, chaired by Maree Todd, the then Minister for Public Health, Women's Health and Sport supported by Caroline Lamb, Chief Executive of NHS Scotland and Director General for Health and Social Care. The meeting was attended by Janie McCusker, Chair, NHS Forth Valley and Cathie Cowan, Chief Executive, NHS Forth Valley. The agenda was split into two sections: look back - pandemic experience to date, reflecting on the initial phases of response, whole system working and the impact on workforce, performance, and finance; and, forward look, reviewing key planning issues for the remainder of 2022/2023 in line with remobilisation plans. A letter summarising the key points raised was received on 23 June 2022 and presented to the NHS Board in July 2022 with publication on the NHS Forth Valley website.

A mid-year review of performance was undertaken on Tuesday 14 March 2023 via video conference. The meeting was chaired by Maree Todd, Minister for Social Care, Mental Health and Sport. Discussions were supported by Caroline Lamb, Director General of Health & Social Care, and Chief Executive of NHS Scotland; and Christine McLaughlin, Co-Director, Population Health and Chair of the Assurance Board; overseeing NHS Forth Valley's escalation to Stage 4 of the National Performance Framework. The meeting was attended by Janie McCusker, Chair, NHS Forth Valley and Cathie Cowan, Chief Executive, NHS Forth Valley. Discussions focused on escalation, finance, workforce, service pressures and performance in priority areas. Ms McCusker received a letter on 24 April detailing key discussion points which was presented to the NHS Board at its meeting in May 2023 and published on the NHS Forth Valley website.

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the adequacy and effectiveness of the system of internal control. My review is informed by:

- Executive Directors and Senior Managers who are responsible for developing, implementing and maintaining internal controls across their areas.
- Work of the internal auditors, who submit to the Audit and Risk Committee regular reports which include their independent and objective opinion on the effectiveness of risk management, control, and governance processes, together with recommendations for improvement.
- Comments made by the external auditors in their management letters and other reports.

Executive Directors and Senior Managers have provided me with formal written assurance and have confirmed that there are no known control issues, nor breaches of Standing Orders / Standing Financial Instructions other than the issues detailed below.

An initial timetable to inform a review and refresh of our Healthcare Strategy had been set out and approved by the NHS Board. It was initially anticipated that a refreshed Healthcare Strategy would be complete by October 2022 however system pressures impacted on our ability to progress with this work. The production of a realistic, achievable strategy remains a key priority however in light of the current financial position, there will be a rewrite of the Healthcare Strategy focusing on how NHS Forth Valley will deliver services in the post Covid environment and reflecting the financial and staffing challenges faced. The draft Healthcare Strategy Outline was presented to the NHS Board in May 2023 with approval of the approach received ahead of a period of engagement and co-production. It is anticipated that the final draft will be presented to the NHS Board in November 2023 for approval.

In maintaining the effectiveness of the system of internal control a draft report on the Board Standing Orders, including the Scheme of Delegation, the Standing Financial Instructions, and Decisions reserved by the Board, was approved at the Board Meeting on 29 March 2022 as detailed in the Code of Corporate Governance. Further updates to the Code of Corporate Governance were presented to the NHS Board in September 2022.

The work of Internal Audit and the assurances provided by the Chief Internal Auditor in relation to internal control are key assurance sources taken into account when the Chief Executive undertakes the annual review of internal controls. The draft final Internal audit Internal Control Evaluation (ICE) report was issued on 17 January 2022 and the Chief Internal Auditor presented the findings to the 20 January 2023 Audit and Risk Committee. The final version was issued on 24 January 2023.

The Internal Control Evaluation work was informed by detailed review of formal evidence sources including Board, Standing Committee, System Leadership Team, and other papers. Internal Audit opinions were also informed by regular meetings with Directors and other senior officers and through fieldwork undertaken for specific audits during the year. The review evaluates whether the basic building blocks of a sound system of control, such as governance structures, strategies and monitoring mechanisms were in place and, where possible, considered available metrics to provide an assessment of whether these systems are operating as intended.

The ICE 2022/2023 contains 11 recommendations, intended to embed good governance principles and to ensure coherence between Governance Structures, Performance Management, Risk Management and Assurance.

Key themes emerging from the report included:

- Financial pressures have worsened considerably across NHSScotland and the need for strategic change to achieve financial sustainability is even more pressing
- Operational performance has been under immense strain and there is a need to address capacity and flow issues through strategic change, working in partnership with the IJBs
- The challenge will be to balance short term risks against longer term risks which can only be mitigated through strategic change
- Whilst the SGHSCD has set a number of very challenging national objectives, many of which appear to be high risk, NHS Forth Valley must set achievable strategic objectives which can be delivered within its own risk tolerances
- NHS Forth Valley will need to maintain a rigorous focus on key issues and ensure governance structures are aligned to these fundamental matters and resist the natural inclination in difficult circumstances to require greater and more detailed scrutiny in favour of targeted, more purposeful governance; which will free officers to focus on delivery and members to focus on the areas of greatest risk
- The achievement of target scores by target dates will require constant monitoring to ensure they fully reflect current risk and controls. In particular, target scores must be realistic and achievable within a reasonable timeframe
- Workforce pressures remain high in NHSScotland and NHS Forth Valley and the current risk and target risk scores for Workforce within NHS Forth Valley will require careful consideration to ensure they reflect local, national and international pressures and the extent to which these are and can be mitigated locally
- The Clinical Governance Implementation Plan 2022-2026 is still at draft stage and is expected to be progressed at the start of 2023/24
- The Board’s response to two HIS reviews demonstrated areas where Assurance Committee oversight could have been more effective
- There are opportunities now to further enhance governance through the application of assurance mapping principles

Management has provided responses to address the 11 recommendations, to be completed in 2022/23 and 2023/2024.

The final Internal Control Evaluation report was presented to the Staff Governance Committee, Clinical Governance Committee and Performance & Resources Committee in 2022/2023 to ensure appropriate oversight and action.

The Annual Internal Audit Report 2022/23 provides assurance on the Board's internal control framework and provided an update on action to address the ICE recommendations. Their update concludes that the Board has adequate and effective controls in place and that the 2022/23 internal audit plan has been delivered in line with Public Sector Internal Audit Standards.

In addition, Annual Service Audit Reports are commissioned by NHS National Services Scotland (NSS) to provide assurance to NHS Boards in respect of national payment arrangements for Family Health Service (FHS) contractors and various shared IT systems that are managed on behalf of NHS Scotland by NSS (including Atos, NSS digital and IT security support services). Similarly, NHS Ayrshire and Arran provide an annual service audit in respect of their management of the National Single Instance financial ledger service on behalf of all NHS Boards. All service audit reports prepared in accordance with the standards and approach defined in the International Standard on Assurance Engagements 3402 (ISAE 3402) "Assurance Reports on Controls at a Service Organisation" issued by the International Auditing and Assurance Standards Board ("IAASB"). For financial year 2022/23 all service audit reports were unqualified.

External Reviews

The annual Network and Information Systems Regulations (NISR) audit report was issued in October 2022. Key messages indicate:

- progress made in controls and recommendations implementation are clear evidence of a commitment by the NHS Board to cyber security and the leadership shown by the Cyber and Information Security Manager
- This is reflected by the uplift in the Overall Compliance status from 60% to 70% and good progress from the initial rating of 50% in 2020
- Improvements were made in 15 of the 17 categories with 12 at a compliance level of 60% or more
- The board risk profile has seen a concomitant reduction in risk exposure which is now at a low 5%

Supplier management remains a key risk and priority for compliance in the coming year. NHS Forth Valley is working with other Health Boards on a common approach while the Scottish Government continues to develop its own guidance. This is an issue affecting all public sector organisations.

The regulation requires the Health Board to consider the resources allocated towards NIS compliance efforts and for leadership to set direction in relation to Cyber Security.

The UK Information Commissioner's Office (ICO) has been completing a series of audits of NHS Scotland Boards. The purpose of these ICO audits has been to assess the extent to which an organisation is following good data protection practice in the specific areas of Governance and Accountability, and Information Sharing.

The ICO conducted its audit of NHS Forth Valley in January 2023. The audit consisted of a desktop review of policies, procedures, and supporting evidence submitted to the ICO, and a number of interviews with key staff, held over MS Teams. Following assessment, the ICO issued NHS Forth Valley with an agreed Final Report and Action Plan on 7 March 2023. The ICO assessed NHS Forth Valley as follows:

Table 7: ICO assessment outcome

Audit Scope area	Assurance Rating	Overall Opinion
Governance & Accountability/ Data Sharing	High	There is a high level of assurance that processes and procedures are in place and are delivering data protection compliance. The audit has identified only limited scope for improvement in existing arrangements and as such it is not anticipated that significant further action is required to reduce the risk of non-compliance with data protection legislation.

Risk Assessment and Management

NHS Scotland bodies are subject to the requirements of the Scottish Public Finance Manual (SPFM) and must operate a risk management strategy in accordance with relevant guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM. The NHS Board in approving its Risk Management Strategy agreed an escalation process to ensure significant risks identified, that are deemed impossible or impractical to manage by a local team or function, are escalated appropriately following the Health Board's line management arrangements.

A new 3-year Risk Management Strategy for 2022-25 was approved in July 2022. The key areas of improvement are noted as:

- Risk architecture – re-setting the hierarchy of risk registers and how they interrelate, including risk escalation.
- Governance arrangements – consolidating the arrangements for reporting risk through the assurance committee and Health Board structure.
- Roles & Responsibilities – clarifying accountabilities and responsibilities for managing risk at all levels.
- The risk management process – detailing the risk management process in line with international standard ISO31000.
- A framework for risk appetite.

Following approval of the framework for risk appetite, consultation took place took place to set and agree the risk appetite and tolerance levels for each of the categories in the risk assessment matrix, with presentations made to the Executive Leadership team in September and December, and to the Board Seminar in February. It was agreed that some changes should be made to the risk assessment matrix itself before final approval of risk appetite. A short life working group has been set up to discuss and agree the matrix, consisting of a cross-section of Executive and Non-Executive Directors, with a view to approval of the risk appetite levels by the Board in July.

A schedule of assurance deep dives into the strategic risks was agreed by ELT, with deep dives conducted on SRR015 Cyber Resilience, SRR002 Urgent and Unscheduled Care, SRR009 Workforce Plans and SRR005 Financial Sustainability. The output from these deep dives was presented to the relevant standing assurance committees who agreed the following assurance recommendations:

Table 8: Strategic Risk Deep Dive Assurance Recommendations

Strategic Risks – Assurance Levels			
Risk ID	**Risk Title**	**Assurance Level**	**Assurance Committee**
SRR015	Cyber Resilience	Reasonable	Performance and Resources
SRR002	Urgent and Unscheduled Care	Reasonable	Clinical Governance
SRR009	Workforce Plans	Limited	Staff Governance
SRR005	Financial Sustainability	Reasonable/Limited	Performance and Resources

The Corporate Risk team has expanded to include a Corporate Risk Manager and three Risk Management Advisors. This has allowed development of risk management activities at Directorate level, with work undertaken to rationalise the existing risk profile and trial a move of risks to business objectives from the Safeguard system into the Pentana Performance and Risk system. This allows enhanced monitoring and communication through reporting, and a greater focus on key risks at department, directorate and organizational level. Risk Identification exercises have been undertaken, and the risk team have provided enhanced support in relation to the Healthcare Improvement Scotland action plan, as well as wider Board escalation activities.

Two training packages have been developed, a Level 1 package aimed at all staff and Level 2 training aimed at risk champions and risk leads. The level 2 training was successfully piloted in January and went live in May, with further training sessions planned for June, August, September, October and November.

The Strategic Risk Register continues to be presented to the NHS Board on a quarterly basis, following oversight and scrutiny by the relevant standing assurance committees (Clinical Governance Committee; Performance and Resources Committee; Staff Governance Committee) and the Audit and Risk Committee. The quarter 3 October to December 2022 was presented to the NHS Board in March 2023[16]. The quarter 4 update, January to March 2022, and year end summary will be presented to the NHS Board in July 2023.

The Strategic Risk Register contains high level risks requiring Board oversight and direction. As well as containing risks relating to Scheduled and Primary Care, Cyber Resilience, Estates and Infrastructure and Financial and Strategic Plans, there are risks linked to Board escalation: Urgent and Unscheduled Care and Out of Hours. Risks relating to other aspects of Board escalation are captured on the Organisational risk register.

Table 9 provides a comparison of the Strategic risk profile at the end of April 2023 against the end of April 2022 shows an increase of one additional risk on the Strategic Risk Register, and the proportion of Very High risks has also increased:

[16] NHS-Forth-Valley-Board-Meeting-Papers-28-March-2023.pdf (nhsforthvalley.com)

Table 9: Strategic Risk Profile Comparison

April 2022 - 11 Strategic Risks

Likelihood	1	2	3	4	5
5				3	2
4			1	2	1
3				1	1
2					
1					

Impact

April 2023 - 12 Strategic Risks

Likelihood	1	2	3	4	5
5				3	2
4				2	3
3				1	1
2					
1					

Impact

There are two new strategic risks:

- SRR017 – Environmental Sustainability and Climate Change – articulated to reflect the impact on our strategic objectives, and our responsibilities in terms of Scottish Government Policy/Strategy.
- SRR018 – Primary Care Sustainability – internal audit made a recommendation to review SRR001 Primary Care and ensure that the wider risk around Primary Care Sustainability is captured. Consequently, the risk was split into two separate risks, a strategic risk covering Primary Care Sustainability and organisational risk ORG14 covering Non-delivery of the Scottish GMS Contract.

One risk was closed:

- SRR001 Primary Care – the risk is now split into two, SRR018 Primary Care Sustainability and ORG14 Non-Delivery of Scottish GMS Contract.

Two risks have increased in score compared to the April 2022 position:

- SRR009 Workforce Plans – **increased from 16 to 20.** The risk was re-assessed at both untreated and current levels, due to the significant financial impact arising from high vacancy and absence rates which drive increased usage of temporary staff and thus increased costs.

One risk has decreased in score compared to the April 2022 position:

- SRR016 Out of Hours Service – **decreased from 20 to 16.** Progress has been made with the Out of Hours action plan and further controls have been implemented. There has been an improvement in rota fill, decreasing the likelihood of the risk occurring.

Comparison of the Strategic risks at April 2022 versus April 2023 is provided in table 10.

Table 10: Strategic Risks April 2022 compared to April 2023

Strategic Risks – 2022/23 Year End Comparison			
Risk ID	**Risk Title**	**April 2022 Risk Score**	**April 2023 Risk Score**
SRR017	**Environmental Sustainability and Climate Change *NEW*** If NHS Forth Valley does not receive funding and resources, there is a risk that we will be unable to comply with DL38 and delivery actions/meet requirements of the Scottish Government Climate Emergency & Sustainability Strategy, and will not operate in an environmentally sustainable way, resulting in failure to meet objectives and damaging stakeholder/public confidence.		**20**
SRR018	**Primary Care Sustainability *NEW*** If workforce composition and accommodation for Primary Care does not evolve to meet changing population needs and internal/external pressures such as increasing costs/technological advances, there is a risk that critical quality and sustainability issues will be experienced in the delivery of general medical services, leading to pressures in neighbouring practices and across other parts of the system (e.g. ED/urgent care, OOH).		**20**
SRR005	**Financial Sustainability** If our recurring budget is not sufficient to meet the recurring cost base there is a risk there will be an increasing recurring gap in our finances, resulting in an inability to achieve and maintain financial sustainability, and a detrimental impact on current/future service provision.	**25**	**25**
SRR002	**Urgent and Unscheduled Care** If NHS FV does not take immediate steps to create capacity, and address whole system pressures through delivery of the Urgent and Unscheduled Care programme in the longer term, there is a risk that we will be unable to deliver safe levels of unscheduled care, resulting in potential for patient harm.	**25**	**25**
SRR009	**Workforce Plans** If NHS Forth Valley does not implement effective, fully costed strategic workforce planning based on projected demand there is a risk that we will not have a sustainable workforce that is the right size, with the right skills and competencies, within an affordable budget, resulting in significant pressures on staff health and wellbeing, sub-optimal service delivery to the public and increasing pressure on our financial sustainability.	**16**	**20**
SRR004	**Scheduled Care** If NHS FV does not consider and plan for current and future changes to population and associated demand/case-mix, there is a risk that the model for delivery of planned care will not meet demand or prioritise effectively, resulting in poorer patient outcomes, avoidable harm and failure to meet targets.	**20**	**20**

Strategic Risks – 2022/23 Year End Comparison			
Risk ID	**Risk Title**	**April 2022 Risk Score**	**April 2023 Risk Score**
SRR010	**Estates and Supporting Infrastructure** If there is insufficient Capital funding to develop and improve the property portfolio there is a risk the Estate and supporting infrastructure will not be maintained in line with national and local requirements.	**20**	**20**
SRR015	**Cyber Resilience** If NHS Forth Valley does not build and maintain effective cyber resilience, there is a risk that the cyber security of the organisation may be compromised, resulting in disruption to our ICT systems and service delivery. Increased Cyber risk as reported by National Cyber Competent authorities (NCSC, SG Cyber Unit).	**20**	**20**
SRR016	**Out of Hours Service** If NHS Forth Valley is unable to provide a fully staffed OOHS taking an integrated, multidisciplinary approach, there is a risk that the service will not have the resilience and capacity to flex to meet demand, negatively impacting on the patient experience and journey, and ability to deliver care at the right time, right place by the right person.	**20**	**16**
SRR003	**Information Governance** If NHS Forth Valley fails to implement and embed effective and consistent Information Governance arrangements there is a risk we will not comply with a range of requirements relating to Data Protection legislation (including UK GDPR) and the Network and Information System Regulation (NIS), resulting in reputational damage and potential legal breaches leading to financial penalties.	**16**	**16**
SR014	**Healthcare Strategy** If the planned review of the NHS Forth Valley Healthcare Strategy does not incorporate learning from the COVID-19 pandemic, consideration of population need, and does not align with government policy and / or Integration Authorities Strategic Commissioning Plans there is a risk the Board's vision, corporate objectives and key priorities will not meet the needs of the population, resulting in inability to reduce pressures on services, workforce and finance.	**15**	**15**
SRR011	**Digital &eHealth – Infrastructure and Strategy** If NHS FV does not develop a Digital and eHealth strategy which enables transformation and improvement as well as minimising technical vulnerabilities, there is a risk that other key organisational strategies cannot fully deliver the intended benefits, or the IT infrastructure could fail, impacting on long-term sustainability and efficient and effective service delivery.	**12**	**12**

Strategic Risks – 2022/23 Year End Comparison			
Risk ID	**Risk Title**	**April 2022 Risk Score**	**April 2023 Risk Score**
SRR001	**Primary Care **CLOSED **** If there is insufficient funding and recruitment, there is a risk that NHS FV will not implement the Primary Care Improvement Plan, resulting in an inability to fulfil the Scottish Government Memorandum of Understanding as part of the GP contract, jeopardising GP practice sustainability and potential financial penalty for non-implementation.	**12**	**Closed/De-escalated**

Disclosures

During the previous financial year, no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards for good governance, risk management and control. Attention is, however, drawn to the key strategic risks reported to Forth Valley NHS Board during 2022/23 and in particular to the Treatment Time Guarantee underpinned by statute.

In response to NHS Forth Valley's escalation to Stage 4 of the NHS Scotland Performance Escalation Framework an external review of corporate governance arrangements, aligned to the revised Blueprint for Good Governance document, was commissioned. The review is expected to conclude in June 2023. Thereafter an action plan will be developed for approval by the NHS Board ahead of implementation. All areas of escalation are being address through our Escalation Improvement Action Plans with oversight and support from the NHS Forth Valley Assurance Board[17]. This is a key focus for NHS Forth Valley with internal governance structures to support progress with the required improvement work. Communications are in place to ensure that staff and members of the public are aware of progress being made[18].

[17] NHS Forth Valley Assurance Board - gov.scot (www.gov.scot)
[18] NHS Forth Valley – Escalation and HIS

NHS FORTH VALLEY BOARD

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Remuneration Table (this information is subject to audit)

	Gross Salary (Bands of £5,000)	Bonus Payments (Bands of £5,000)	Benefits in Kind (£'000)	Total Earnings in Year (Bands of £5,000)	Pension Benefits (£'000)	Total Remuneration (Bands of £5,000)
Remuneration of:						
Executive Members						
Chief Executive: Catherine Cowan	160-165	0 - 0	0	160-165	0	160-165
Director of Public Health: Graham Foster	205-210	0 - 0	0	205-210	0	205-210
Director of Finance: Scott Urquhart	110-115	0 - 0	0	110-115	0	110-115
Director of HR: Linda Donaldson	105-110	0 - 0	0	105-110	0	105-110
Director of Nursing: Frances Dodd (from 01/10/22)	55-60	0 - 0	0	55-60	61	115-120
Director of Nursing: Angela Wallace (to 17/04/22)	10-15	0 - 0	0	10-15	0	10-15
Medical Director: Andrew Murray	205-210	0 - 0	0	205-210	0	205-210
Non-Executive Members						
The Chair: Janie McCusker	30 - 35	0 - 0	0	0 - 0	0	30 - 35
Martin Fairbairn	5 - 10	0 - 0	0	0 - 0	0	5 - 10
John Stuart	5 - 10	0 - 0	0	0 - 0	0	5 - 10
Kirstin Cassells	5 - 10	0 - 0	0	0 - 0	0	5 - 10
Gordon Johnston	5 - 10	0 - 0	0	0 - 0	0	5 - 10
Stephen McAllister	5 - 10	0 - 0	0	0 - 0	0	5 - 10
Allan Rennie	5 - 10	0 - 0	0	0 - 0	0	5 - 10
Michele McClung	15 - 20	0 - 0	0	0 - 0	0	15 - 20
Daniel Gibson (from 16/06/22)	5 - 10	0 - 0	0	0 - 0	0	5 - 10
Fiona Collie (from 16/06/22)	5 - 10	0 - 0	0	0 - 0	0	5 - 10
Wendy Hamilton (from 16/06/22)	5 - 10	0 - 0	0	0 - 0	0	5 - 10
John Ford (to 31/07/22)	10 - 15	0 - 0	0	0 - 0	0	10 - 15
Susan McGill (to 30/04/22)	0 - 5	0 - 0	0	0 - 0	0	0 - 5
Leslie Sharp (to 30/04/22)	0 - 5	0 - 0	0	0 - 0	0	0 - 5
Fiona Collie (to 30/04/22)	0 - 5	0 - 0	0	0 - 0	0	0 - 5
Employee Director						
Robert Clark	40 - 45	0 - 0	0	0 - 0	0	40 - 45
Total			**0**		**61**	

Pension benefit figures are provided for those employees who are members of the NHS Scotland pension scheme; employees have the option to opt out of the scheme. Catherine Cowan has opted out of the pension arrangements and therefore no pension benefits are included in respect of her post during the reporting year.

The Employee Director's salary includes £35,000 to £40,000 in respect of non-Board duties.

The Employee Director's pension benefits are in respect of non-Board duties.

For those members who were in post for part of the year only, the full year effect total earnings figures are as follows:-

NON-EXECUTIVE MEMBER

Leslie Sharp	£5,000 - £10,000
Susan McGill	£5,000 - £10,000
John Ford	£15,000 - £20,000
Fiona Collie	£5,000 - £10,000
Daniel Gibson	£5,000 - £10,000
Wendy Hamilton	£5,000 - £10,000

NHS FORTH VALLEY BOARD

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Remuneration Table

	Gross Salary (Bands of £5,000)	Bonus Payments (Bands of £5,000)	Benefits in Kind (£'000)	Total Earnings in Year (Bands of £5,000)	Pension Benefits (£'000)	Total Remuneration (Bands of £5,000)
Remuneration of:						
Executive Members						
Chief Executive: Catherine Cowan	140-145	0 - 0	0	140-145	0	140-145
Director of Public Health: Graham Foster	195-200	0 - 0	0	195-200	64	260-265
Director of Finance: Scott Urquhart	100-105	0 - 0	0	100-105	38	135-140
Director of HR: Linda Donaldson	105-110	0 - 0	0	105-110	56	165-170
Director of Nursing: Angela Wallace	130-135	0 - 0	5.5	135-140	33	170-175
Medical Director Andrew Murray	190-195	0 - 0	0	190-195	34	225-230
Non-Executive Members						
The Chair: Janie McCusker	30-35	0 - 0	0	30-35	0	30-35
Julia Swan (to 31/08/21)	0-5	0 - 0	0	0-5	0	0-5
John Ford	15-20	0 - 0	0	15-20	0	15-20
James King (to 30/04/21)	0-5	0 - 0	0	0-5	0	0-5
Michele McClung	15-20	0 - 0	0	15-20	0	15-20
Susan McGill	5-10	0 - 0	0	5-10	0	5-10
Leslie Sharp	5-10	0 - 0	0	5-10	0	5-10
Allan Rennie	5-10	0 - 0	0	5-10	0	5-10
Stephen McAllister	5-10	0 - 0	0	5-10	0	5-10
Gordon Johnston	5-10	0 - 0	0	5-10	0	5-10
Fiona Collie (from 25/05/21)	5-10	0 – 0	0	5-10	0	5-10
Kirstin Cassells (from 25/05/21)	5-10	0 – 0	0	5-10	0	5-10
John Stuart (from 18/10/21)	0-5	0 – 0	0	0-5	0	0-5
Martin Fairbairn (from 07/12/21)	0-5	0 – 0	0	0-5	0	0-5
Employee Director						
Robert Clark	40-45	0 - 0	0	40-45	3	45-50
Total			**5.5**		**228**	

Pension benefit figures are provided for those employees who are members of the NHS Scotland pension scheme; employees have the option to opt out of the scheme. Catherine Cowan has opted out of the pension arrangements and therefore no pension benefits are included in respect of her post during the reporting year.

The Employee Director's salary includes £30,000 to £35,000 in respect of non-Board duties.

The Employee Director's pension benefits are in respect of non-Board duties.

For those members who were in post for part of the year only, the full year effect total earnings figures are as follows:-

NON-EXECUTIVE MEMBER

Julia Swan	£5,000 - £10,000
James King	£5,000 - £10,000
Fiona Collie	£5,000 - £10,000
Kirstin Cassells	£5,000 - £10,000
John Stuart	£5,000 - £10,000
Martin Fairbairn	£5,000 - £10,000

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Pensions Values Table (this information is subject to audit)

	Total accrued pension at ensionable age at 31 March 2023 (Bands of £5,000)	Total accrued lump sum at pensionable age at 31 March 2023 (Bands of £5,000)	Real increase in pension at age 60 (Bands of £2,500)	Real increase in lump sum at age 65 at 31 March 2023 (Bands of £2,500)	CETV at 31 March 2022 (£000)	CETV at 31 March 2023(£000)	Real increase in CETV in year (£000)
Remuneration of:							
Executive Members							
Chief Executive: Catherine Cowan	0 - 0	*0 - 0*	0 - 0	*0 - 0*	0 - 0	0 - 0	0
Director of Public Health: Graham Foster	95-100	*215-220*	0 - 0	*0 - 0*	2,066	1,986	0
Director of Finance: Scott Urquhart	45-50	*90-95*	0-2.5	*0 - 0*	764	773	9
Director of HR: Linda Donaldson	55-60	*145-150*	0 - 0	*0 - 0*	1,196	1,181	0
Director of Nursing: Angela Wallace (to 17/04/22)	60-65	*140-145*	0 - 0	*0 - 0*	1,531	1,380	0
Director of Nursing: Frances Dodd (from 01/10/22)	50-55	*130-135*	2.5-5	*2.5-5*	959	1,032	73
Medical Director: Andrew Murray	95-100	*205-210*	*0 - 0*	*0 - 0*	2,008	2,002	0
Non-Executive Members							
The Chair: Janie McCusker	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Martin Fairbairn	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
John Stuart	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Kirstin Cassells	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Gordon Johnston	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Stephen McAllister	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Alan Rennie	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Michelle McClung	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Daniel Gibson (from 16/06/22)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Fiona Collie (from 16/06/22)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Wendy Hamilton (from 16/06/22)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
John Ford (to 31/07/22)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Susan McGill (to 30/04/22)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Leslie Sharp (to 30/04/22)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Fiona Collie (to 30/04/22)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Employee Director							
Robert Clark	20-25	45-50	0 - 0	0 - 0	427	421	0
Total							**73**

There are multiple NHS Scotland pension schemes which have differing normal pension retirement ages, the figures provided above are based on the individual cases. In accordance with the Financial Reporting Manual (FReM) and the Companies Act, this calculation aims to bring public bodies in line

with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement. The ‘total earnings in year’ column shows the remuneration relating to actual earnings payable in year. Catherine Cowan has opted out of the pension arrangements and therefore no pension values are included in respect of her post during the reporting year.

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Pensions Values Table (this information is subject to audit)

	Total accrued pension at pensionable age at 31 March 2022 (Bands of £5,000)	Total accrued lump sum at pensionable age at 31 March 2022 (Bands of £5,000)	Real increase in pension at age 60 (Bands of £2,500)	Real increase in lump sum at age 65 at 31 March 2022 (Bands of £2,500)	CETV at 31 March 2021 (£000)	CETV at 31 March 2022(£000)	Real increase in CETV in year (£000)
Remuneration of:							
Executive Members							
Chief Executive: Catherine Cowan	0 - 0	*0 - 0*	0 - 0	*0 - 0*	0 - 0	0 - 0	0
Director of Public Health: Graham Foster	75-80	*170-175*	2.5-5	*0-2.5*	1,460	1,557	97
Director of Finance: Scott Urquhart	30-35	*60-65*	2.5-5	*0-2.5*	489	532	43
Director of HR: Linda Donaldson	50-55	*115-120*	2.5-5	*2.5-5*	948	1,025	77
Director of Nursing: Angela Wallace	45-50	*115-120*	0-2.5	*0-2.5*	986	1,046	60
Medical Director: Andrew Murray	75-80	*155-160*	2.5-5	*0*	1,411	1,480	69
Non-Executive Members							
The Chair: Janie McCusker	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Julia Swan	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
John Ford	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
James King	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Michele McClung	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Susan McGill	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Leslie Sharp	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Allan Rennie	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Stephen McAllister	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Gordon Johnston	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Fiona Collie (from 25/05/21	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Kirstin Cassells (from 25/05/21)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
John Stuart (from 18/10/21)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Martin Fairbairn (from 07/12/21)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Employee Director							
Robert Clark	15-20	35-40	0-2.5	0	314	323	9
Total							**355**

There are multiple NHS Scotland pension schemes which have differing normal pension retirement ages, the figures provided above are based on the individual cases. In accordance with the Financial Reporting Manual (FReM) and the Companies Act, this calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement. The 'total earnings in year' column shows the remuneration relating to actual earnings payable in year.

Catherine Cowan has opted out of the pension arrangements and therefore no pension values are included in respect of her post during the reporting year.

Fair Pay Disclosure (this information is subject to audit)

In accordance with the FReM and the NHS Scotland Annual Accounts Manual, NHS Boards are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The table below summarises the % change and ratio of the highest paid director's remuneration compared to the median, 25th percentile and 75th percentile remuneration of the workforce.

	2023	2022	% Change
Range of Staff Remuneration	£9,030 to £220,070	£8,930 to £346,423	0.1% - (36.5%)
Highest earning Director's total remuneration	£207,500	£197,500	5.1%
Median (total pay & Benefits)	£36,635	£33,577	9%
Median (salary only)	£36,540	£33,493	9%
Ratio	5.66	5.94	(4.71)
25th Percentile (total pay & Benefits)	£28,384	£25,983	8.5%
25th Percentile (salary only)	£28,384	£25,983	8.5%
Ratio	7.31	7.6	(3.82)
75th Percentile (total pay & Benefits)	£45,848	£43,065	6.5%
75th Percentile (salary only)	£45,633	£42,724	6.7%
Ratio	4.52	4.59	(1.5)

The changes in the percentages and ratios presented in the table above are consistent with the pay, reward and progression policies of NHS Scotland as per circulars PCS(AFC)2022/3, PCS(DD)2022/01, PCS(ESM)2023/1 and PCS(ESM)2023/2 and also reflect changes in the profile and skill mix of the workforce during the reporting period.

The Medical Director was the highest paid Director in the last 2 financial years. The mid-point of the banded remuneration of the Medical Director (excluding pension benefits) in financial year 2022/2023 was £207,500. This is 5.66 times higher than the median remuneration of the workforce which was £36,635 (including total pay and benefits, excluding pension benefits).

In 2022/2023, 4 employees received remuneration in excess of the highest paid director (the equivalent number in the previous financial year was 3 employees). The range of remuneration across all staff groups was £9,030 to £220,070 during 2022/23 (2021/2022 £8,930 to £346,423).

STAFF REPORT

Higher Paid Employees' Remuneration

	2023 Number	2022 Number
Other employees whose remuneration fell within the following ranges:		
Clinicians		
£70,001 to £80,000	19	34
£80,001 to £90,000	25	28
£90,001 to £100,000	31	34
£100,001 to £110,000	37	53
£110,001 to £120,000	39	33
£120,001 to £130,000	43	29
£130,001 to £140,000	18	20
£140,001 to £150,000	15	21
£150,001 to £160,000	20	20
£160,001 to £170,000	14	8
£170,001 to £180,000	7	4
£180,001 to £190,000	5	5
£190,001 to £200,000	3	5
£200,001 and above	8	4
Other		
£70,001 to £80,000	33	13
£80,001 to £90,000	17	11
£90,001 to £100,000	4	2
£100,001 to £110,000	4	5
£110,001 to £120,000	2	0
£120,001 to £130,000	1	2
£130,001 to £140,000	0	1
£140,001 to £150,000	1	1
£150,001 to £160,000	0	0
£160,001 to £170,000	0	0
£170,001 to £180,000	0	0
£180,001 to £190,000	0	0
£190,001 to £200,000	0	0
£200,001 and above	0	0

STAFF NUMBERS AND EXPENDITURE (this information is subject to audit)

	Executive Board Members £'000	Non-Executive Members £'000	Permanent Staff £'000	Inward Secondees £'000	Other Staff £'000	Outward Secondees £'000	2023 Total £'000	2022 Total £'000
EMPLOYEE EXPENDITURE								
Salaries and wages	636	165	278,916	0	0	(2,049)	**277,668**	**260,767**
Taxation & Social security costs	118	11	28,858	0	0	0	**28,987**	**25,417**
NHS scheme employers' costs	112	7	50,251	0	0	0	**50,370**	**46,410**
Other employers' pension costs	0	0	0	0	0	0	**0**	**0**
Secondees	0	0	0	4,741	0	0	**4,741**	**5,065**
Agency staff	0	0	0	0	12,862	0	**12,862**	**8,013**
TOTAL	**866**	**183**	**358,025**	**4,741**	**12,862**	**(2,049)**	**374,628**	**345,672**

Included in the total Employee Expenditure above were costs of staff engaged directly on capital projects, charged to capital expenditure of:	60	56

STAFF NUMBERS

Whole time equivalent (WTE)	6	12	5871	69.5	234	(31.1)	**6161.4**	6109

Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of:	1	1
Included in the total staff numbers above were disabled staff of:	74	72
Included in the total staff numbers above were Special Advisers of:	0	0

Reconciliation to income and expenditure

	£'000	
Total employee expenditure as below	374,628	*From staff report disclosure*
Add: employee income included in Note 4	2049	*From note 4; secondee income.*
Less: staff on capital projects	60	*From staff report disclosure*
Total employee expenditure disclosed in note 3	**376,617**	

Staff composition – an analysis of the number of persons of each sex who were directors and employees. For the purposes of this analysis, senior employees are those earning over £70,000 p.a.

	2023				2022			
	Male	**Female**	**Prefer not to say**	**Total**	**Male**	**Female**	**Prefer not to say**	**Total**
Executive Directors	3	3	0	6	3	3	0	6
Non-Exec. Directors and Employee Director	7	5	0	12	8	5	0	13
Senior Employees	177	164	0	341	164	144	0	308
Other	774	5,716	0	6,490	803	5723	0	6526
Total Headcount	961	5,888	0	6,849	978	5875	0	6853

The figures in the above table for Executives and Non Executives and Senior employees are headcount numbers, based on the total numbers in post during the year, which are reported on elsewhere in this report. The figures for other staff are based on those in post on 31st March 2023.

Sickness absence data

	2023	2022
Sickness Absence Rate	7.59%	6.0%

Note that national policy in relation to Covid special leave provisions ended on 31 August 2022 and from 1 September 2022, all Covid related staff absence was treated in line with all other sickness absence as per DL(2022)21.

Staff Policies relating to the employment of disabled persons

Staff policies were applied during the financial year relating to the employment of disabled persons.

- For giving full and fair consideration to applications for employment by the Board made by disabled persons, having a regard to their particular aptitudes and abilities;
- For continuing the employment of, and for arranging appropriate training for, employees of the Board who have become disabled persons during the period when they were employed by the Board; and
- Otherwise for the training, career development and promotion of disabled persons employed by the Board.
- NHS Forth Valley was awarded “Disability Confident Leader” status in March 2023.

Other Employee Matters

In 2022/23 we reported to Staff Committee Government Committee and Area Partnership Forum Workforce Information which includes Workforce Composition and Distribution, Turnover, Age Profile, Ethnic Origin, Gender and Religion.

A suite of policies, procedures and guidance are available to help ensure a fair and consistent approach to employment issues including: Recruitment and Selection; Flexible Working; Dignity at Work, Performance Appraisal; Maternity, Paternity and Adoption Leave; Grievance; Hate Incident Protocol; Special Leave Policy, Shared Parental Leave Policy, Transitioning at Work Protocol and Equality, Diversity & Human Rights Policy.

Development of Phase 2 of national "Once for Scotland" employment policies recommenced in April and are due to be launched in Summer 2023. The revised policies are:

- Additional Employment
- Embracing Equality, Diversity and Human Rights
- Gender-Based Violence
- Managing Health at Work
- Personal Development Planning & Review
- Redeployment
- Safer Pre & Post Employment Checks
- Secondment
- Supporting the Work-Life Balance
- Use of Fixed Term Contracts
- Facilities Arrangements for Trade Unions & Professional Organisations

NHS Forth Valley has a strong history of excellent partnership working. Our Employee Director works with Human Resources on a number of Partnership areas. The Area Partnership Forum, co-chaired by the Chief Executive and Employee Director meets quarterly, there are local partnerships for Acute, Estates and Facilities, and our two Joint Staff Forum for Health & Social Care Partnerships.

The Health and Safety Department provides a comprehensive range of services, specialist advice helps managers manage risk and health and safety issues affecting staff, patients and visitors etc. The department also provides a range of information for staff to access. The work closely with other departments and groups within NHS Forth Valley including Occupational Health, Infection Control, Training & Development, Clinical Governance and The Risk Network group to ensure a quality approach. Incidents are reported electronically via Safeguard.

Turas Appraisal is used to record staff PDPR progress including identification of Objectives and Personal Development Planning. Talent Management and Succession Planning are key priorities within NHS Forth Valley and support the Board's strategic direction in supporting our workforce, attracting, retaining and developing a capable and sustainable workforce fit for the future. We are implementing this across the organisation. This process will support short, medium and long term career planning for both managers and employees and is designed to ensure a supply of skilled and appropriately trained staff who are enabled to be job ready and can apply for posts as they become available. This process is crucial to recruitment and retention and invaluable to reinforcing our development culture.

Not all staff aspire to obtain promotion, some may prefer to remain within their current role and develop skills to enhance effectiveness or move across the organisation. Effective career conversations and access to tailored support can be invaluable to support this process and retain staff particularly during periods of transformational change. We are providing guidance on career development conversations for managers to support robust and effective dialogue on personal development.

Exit packages (this information is subject to audit)

		2023		
Exit Package cost band	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**	**Cost of exit packages (£000)**
<£10,000		**1**	**1**	**2.6**
£10,000 - £25,000			**0**	
£25,000 - £50,000			**0**	
£50,000 - £100,000			**0**	
£100,000 - £150,000			**0**	
£150,000 - £200,000			**0**	
£200,000 - £250,000			**0**	
>£250,000			**0**	
Total number of exit packages by type		**1**	**1**	
Total resource cost (£000)		**2.6**		**3**

There were no exit packages during 2021/22.

Trade Union regulations

Relevant Union Officials	
Number of employees who were relevant union officials during the period 1 April 2022 to 31 March 2023	Full-time equivalent employee number
19	16.39
Total Facility Hours	6894.45
Percentage of time spent on facility time	
Percentage of time	**Number of representatives**
0%	7
1 – 50%	8
51 – 99%	2
100%	2
Percentage of pay bill spent on facility time	
Total cost of facility time	£214,789
Total pay bill	£374,628,000
Percentage of the total pay bill spent on facility time	0.06%
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours.	100%. All time spent on trade union activity is paid for any trade union representative.

Parliamentary Accountability Report

Losses and Special Payments

On occasion the Board is required to write off balances which are no longer recoverable. Losses and special payments over £0.300m require formal approval to regularise such transactions and their notation in the annual accounts.

The write-off of the following losses and special payments has been approved by the Board:

	No. of cases	£m
Losses	1205	3,457

In the year to 31 March 2023, the following balances were settled:

Reference	Description	£m
CNORIS	Total claims paid under the CNORIS scheme	3,317

In 2022-23, the Board was required to pay out three claims individually greater than £300,000 settled under the CNORIS scheme (2021-22: £0m). Further details can be found in Note 1 (Accounting policies) of the annual accounts.

The Board is also required to provide for CNORIS claims notified to it and which will be settled at a future date; details of these provisions can be found in Note 13a.

3.1 Fees and Charges

During 2022/23, there were no charges for services provided on a full costs basis at greater than £1m.

3.2 Approval of the Accountability Report

The Accountability Report is approved for issue.

.....

23rd June 2023
Mrs Cathie Cowan
Chief Executive

Independent auditor's report to the members of NHS Forth Valley, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of NHS Forth Valley and its group for the year ended 31 March 2023 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Consolidated Net Expenditure, Consolidated Statement of Financial Position, the Statement of Consolidated Cash Flows, the Statement of Consolidated Changes in Taxpayers' Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Government Financial Reporting Manual (the 2022/23 FReM).

In our opinion the accompanying financial statements:

- give a true and fair of the state of the affairs of the board and its group as at 31 March 2023 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27 we are independent of the board and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and We have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work We have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the board and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the board and its group. However, we report on the board's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

We report in our separate Annual Audit Report the most significant assessed risks of material misstatement that We identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accountable Officer, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the ability of the board and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the board's operations.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the health sector to identify that the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers are significant in the context of the board;
- inquiring of the Accountable Officer and Director of Finance as to other laws or regulations that may be expected to have a fundamental effect on the operations of the board;
- inquiring of the Accountable Officer and Director of Finance concerning the board's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This includes the National Health Service (Scotland) Act 1978 and the Public Bodies (Joint Working) Scotland Act 2014.

- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty. These include the Data Protection Act 2018 and relevant employment legislation.

As a result of performing the above, we identified the greatest potential for fraud was in relation to the requirement to operate within the expenditure resource limits set by the Scottish Government. The risk is that the expenditure in relation to year-end transactions may be subject to potential manipulation in an attempt to align with its tolerance target or achieve a breakeven position. In response to this risk, we obtained confirmation of the resource limits allocated by the Scottish Government and tested a sample of accruals, prepayments and invoices received around the year-end to assess whether they have been recorded in the correct period.

In common with audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulation described as having a direct effect on the financial statements;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;

- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and

- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on the audited parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work We have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and We do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on the Performance Report and Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the

National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers; and

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Pat Kenny, CPFA (for and on behalf of Deloitte LLP),
110 Queen Street
Glasgow
G1 3BX
United Kingdom

23 June 2023

FORTH VALLEY NHS BOARD

STATEMENT OF CONSOLIDATED COMPREHENSIVE NET EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2023

2022 £'000		Note	2023 £'000
347,882	Employee expenditure	3a	376,617
	Other operating expenditure	3b	
95,503	Independent Primary Care Services		101,320
129,643	Drugs and medical supplies		133,813
621,604	Other health care expenditure		588,419
1,194,632	Gross expenditure for the year		1,200,169
(402,780)	Less: operating income	4	(428,937)
(17,249)	Associates and joint ventures accounted for on an equity basis		7,409
774,603	**Net expenditure for the year**		**778,641**

OTHER COMPREHENSIVE NET EXPENDITURE

2022 £'000		2023 £'000
(30,690)	Net (gain)/loss on revaluation of Property Plant and Equipment	(25,075)
(229)	Net (gain)/loss on revaluation of Investments	187
1,225	Other Non Cash Costs	0
(29,694)	Other Comprehensive Expenditure	(24,888)
744,909	**Comprehensive net Expenditure**	**753,753**

The Notes to the Accounts, numbered 1 to 26, form an integral part of these Accounts.

FORTH VALLEY NHS BOARD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2023

Consolidated 2022 £'000	Board 2022 £'000		Note	Consolidated 2023 £'000	Board 2023 £'000
		Non-current assets			
578,524	578,524	Property, plant and equipment	7c	594,655	594,655
696	696	Intangible assets	6a	536	536
0	0	Right of Use assets	17a	7,032	7,032
		Financial assets:			
3,800	556	Investments	10	3,590	560
33,187	0	Investments in associates and joint ventures		25,778	0
40,831	40,831	Trade and other receivables	9	34,903	34,903
657,038	**620,607**	**Total non-current assets**		**666,494**	**637,686**
		Current Assets			
2,012	2,012	Inventories	8	2,639	2,639
		Financial assets:			
16,816	16,774	Trade and other receivables	9	24,578	24,540
229	37	Cash and cash equivalents	11	362	36
19,057	**18,823**	**Total current assets**		**27,579**	**27,215**
676,095	**639,430**	**Total assets**		**694,073**	**664,901**
		Current liabilities			
(12,954)	(12,954)	Provisions	13a	(15,751)	(15,751)
		Financial liabilities:			
(163,216)	(163,129)	Trade and other payables	12	(132,486)	(132,278)
(176,170)	**(176,083)**	**Total current liabilities**		**(148,237)**	**(148,029)**
499,925	**463,347**	**Non-current assets plus/less net current assets/liabilities**		**545,836**	**516,872**
		Non-current liabilities			
(74,943)	(74,943)	Provisions	13a	(69,419)	(69,419)
		Financial liabilities:			
(302,799)	(302,799)	Trade and other payables	12	(293,787)	(293,787)
0	0	Liabilities in associates and joint ventures		0	
(377,742)	**(377,742)**	**Total non-current liabilities**		**(363,206)**	**(363,206)**
122,183	**85,605**	**Assets less liabilities**		**182,630**	**153,666**
		Taxpayers' Equity			
(84,244)	(84,244)	General fund	SoCTE	(36,796)	(36,796)
169,849	169,849	Revaluation reserve	SoCTE	190,462	190,462
33,187	0	Other reserves - associates and joint ventures	SoCTE	25,778	0
3,391	0	Fund held on Trust	SoCTE	3,186	0
122,183	**85,605**	**Total taxpayers' equity**		**182,630**	**153,666**

Adopted by the Board on 23rd June 2023

……. Director of Finance

……..Chief Executive

The Notes to the Accounts, numbered 1 to 26, form an integral part of these Accounts.

FORTH VALLEY NHS BOARD

STATEMENT OF CONSOLIDATED CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2023

2022 £'000		Note	2023 £'000	2023 £'000
	Cash flows from operating activities			
(774,603)	Net expenditure	SoCTE	(778,641)	
951	Adjustments for non-cash transactions	2b	26,122	
14,411	Add back: interest payable recognised in net operating expenditure	2b	12,843	
(18)	Deduct: interest receivable recognised in net operating expenditure	4	(38)	
0	Investment income		0	
41,293	Movements in working capital	2b	(31,444)	
(717,966)	**Net cash outflow from operating activities**	26c		**(771,158)**
	Cash flows from investing activities			
(8,272)	Purchase of property, plant and equipment		(19,573)	
0	Purchase of intangible assets		(102)	
(1,106)	Investment additions	10	(442)	
0	Transfer of assets to / (from) other NHS Scotland bodies		0	
0	Proceeds of disposal of property, plant and equipment		185	
0	Proceeds of disposal of intangible assets		469	
814	Receipts from sale of investments		0	
18	Interest received		38	
(8,546)	**Net cash outflow from investing activities**	26c		**(19,425)**
	Cash flows from financing activities			
750,632	Funding	SoCTE	814,200	
2	Movement in general fund working capital	SoCTE	(1)	
750,634	Cash drawn down		814,199	
(9,386)	Capital element of payments in respect of on-balance sheet PFI and Hub contracts	2b	(9,810)	
(328)	Capital element of payments in respect of leases		1,812	
0	IFRS 16 - 2022-23 cash lease payment		(2,642)	
71	Interest paid	2b	1,249	
(14,482)	Interest element of leases and on-balance sheet PFI / PPP and Hub contracts	2b	(14,092)	
726,509	**Net Financing**	26c		**790,716**
(3)	**Net Increase / (decrease) in cash and cash equivalents in the period**			**133**
232	**Cash and cash equivalents at the beginning of the period**			**229**
229	**Cash and cash equivalents at the end of the period**			**362**
	Reconciliation of net cash flow to movement in net debt/cash			
(3)	Increase/(decrease) in cash in year	11		133
232	Net debt/cash at 1 April			229
229	**Net debt/cash at 31 March**			**362**

The Notes to the Accounts, numbered 1 to 26, form an integral part of these Accounts.

FORTH VALLEY NHS BOARD

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Note	General Fund £'000	Revaluation Reserve £'000	Other reserve - associates and joint ventures £'000	Funds Held in Trust £'000	Total Reserves £'000
Balance at 31 March 2022		(84,244)	169,849	33,187	3,391	**122,183**
Restated balance at 1 April 2022		(84,244)	169,849	33,187	3,391	**122,183**
Changes in taxpayers' equity for 2022-23						
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a	0	28,092	0	0	28,092
Net gain / (loss) on revaluation of investments	10	0	0	0	(187)	(187)
Net gain / (loss) on revaluation of Right-of-Use assets	17a	0	(2,148)	0	0	(2,148)
Impairment of property, plant and equipment		0	(209)	0	0	(209)
Revaluation and impairments taken to operating costs	2b	0	(660)	0	0	(660)
Transfers between reserves		4,462	(4,462)	0	0	0
Other non cash costs	2b	0	0	0	0	0
Net operating cost for the year	CFS	(771,214)	0	(7,409)	(18)	(778,641)
Total recognised income and expense for 2022-23		(766,752)	20,613	(7,409)	(205)	(753,753)
Funding:						
Drawn down	CFS	814,199				814,199
Movement in General Fund (Creditor) / Debtor	CFS	1				1
Balance at 31 March 2023	SoFP	**(36,796)**	**190,462**	**25,778**	**3,186**	**182,630**

CONSOLIDATED SOCTE (PRIOR YEAR)

	Note	General Fund £'000	Revaluation Reserve £'000	Other reserve - associates and joint ventures £'000	Funds Held in Trust	Total Reserves £'000
Balance at 31 March 2021		(45,498)	142,781	15,938	3,239	**116,460**
Restated balance at 1 April 2021		(45,498)	142,781	15,938	3,239	**116,460**
Changes in taxpayers' equity for 2021-22						
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a	0	36,689	0	0	36,689
Net gain / (loss) on revaluation of investments	10	0	0	0	229	229
Impairment of property, plant and equipment		0	(6,886)	0	0	(6,886)
Revaluation and impairments taken to operating costs	2b	0	887	0	0	887
Transfers between reserves		3,622	(3,622)	0	0	0
Other non cash costs		(1,225)	0	0	0	(1,225)
Net operating cost for the year	CFS	(791,775)	0	17,249	(77)	(774,603)
Total recognised income and expense for 2021-22		(789,378)	27,068	17,249	152	(744,909)
Funding:						
Drawn down	CFS	750,634				750,634
Movement in General Fund (Creditor) / Debtor	CFS	(2)				(2)
Balance at 31 March 2022	SoFP	**(84,244)**	**169,849**	**33,187**	**3,391**	**122,183**

The Notes to the Accounts, numbered 1 to 26, form an integral part of these Accounts.

ACCOUNTING POLICIES

FORTH VALLEY NHS BOARD

ACCOUNTING POLICIES

1. Authority

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended, these Accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury, which follows International Financial Reporting Standards (IFRS) as adopted by the United Kingdom, Interpretations issued by the IFRS Interpretations Committee (IFRIC) and the Companies Act 2006, to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in section 29 below.

(a) Standards, amendments and interpretations effective in current year

IFRS16 is a new standard that has been issued and adopted effective from 1st April 2022.

The objective of IFRS 16 is to report information that faithfully represents lease transactions and provide a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. To meet that objective, a lessee should recognise assets and liabilities arising from a lease. The impact of this new standard can be seen within Notes 17a and 17b to the accounts.

(b) Standards, amendments and interpretation early adopted this year
There are no new standards, amendments or interpretations early adopted this year.

(c) Standards, amendments and interpretation issued but not adopted this year
The table below summarises recent standards, amendments and interpretations issued but not adopted this year.

Standard	Current Status
IFRS 14 Regulatory Deferral Accounts	Not UK endorsed. Applies to first time adopters of IFRS after 1st January 2016. Therefore, not applicable to NHS Scotland bodies
IFRS 17 Insurance Contracts	Application required for accounting periods beginning on or after 1st January 2021. Standard is not yet adopted by the FReM which is expected to be from April 2025.

2. Basis of Consolidation

Consolidation
In accordance with IFRS 10 – Consolidated Financial Statements, the Financial Statements consolidate the NHS Forth Valley Endowment Fund.

NHS Endowment Funds were established by the NHS (Scotland) Act 1978. The legal framework under which charities operate in Scotland is the Charities and Trustee Investment (Scotland) Act 2005. Under the 1978 Act Endowment Trustees are also members of the NHS Board. The Board members (who are also Trustees) are appointed by Scottish Ministers.

The NHS Forth Valley Endowment Fund is a Registered Charity with the Office of the Charity Regulator of Scotland (OSCR) and is required to prepare and submit Audited Financial Statements to OSCR on an annual basis.

The basis of consolidation used is Merger Accounting. Any intragroup transactions between the Board and the Endowment Fund have been eliminated on consolidation.

The integration of health and social care services under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and associated secondary legislation impacts on Health Board disclosure requirements in the annual accounts.

In line with statutory guidance issued by the Integrated Resources Advisory Group (IRAG) IJBs are deemed to be joint ventures. In accordance with IFRS 11 Joint Arrangements, the primary financial statements have been amended for the additional disclosure required to accurately reflect the Board's interest in IJBs using the equity method of accounting.

Note 26 provides further details on the consolidation of the Endowment Funds and IJBs within the Financial Statements.

3. Retrospective Restatements

There have been no Retrospective Restatements reflected in the 2022/23 Financial Statements.

4. Going Concern

The accounts are prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future, unless informed by Scottish Ministers of the intention for dissolution without transfer of services or functions to another entity.

5. Accounting Convention

The Accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment, and financial assets and liabilities (including derivative instruments) at fair value as determined by the relevant accounting standards and the FReM.

6. Funding

Most of the expenditure of the Health Board as Commissioner is met from funds advanced by the Scottish Government within an approved revenue resource limit. Cash drawn down to fund expenditure within this approved revenue resource limit is credited to the general fund.

All other income receivable by the board that is not classed as funding is recognised in the year in which it is receivable.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Non-discretionary funding outwith the RRL is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, dental or ophthalmic services identified by the Scottish Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Statement of Resource Outturn.

Funding for the acquisition of capital assets received from the Scottish Government is credited to the general fund when cash is drawn down.

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in the Statement of Comprehensive Net Expenditure except where it results in the creation of a non-current asset such as property, plant and equipment.

7. Property, plant and equipment

The treatment of capital assets in the accounts (capitalisation, valuation, depreciation, particulars concerning donated assets) is in accordance with the NHS Capital Accounting Manual.

Title to properties included in the accounts is held by Scottish Ministers.

7.1 Recognition

Property, Plant and Equipment is capitalised where: it is held for use in delivering services or for administrative purposes; it is probable that future economic benefits will flow to, or service potential be provided to, the Board; it is expected to be used for more than one financial year; and the cost of the item can be measured reliably.

All assets falling into the following categories are capitalised:

1) Property, plant and equipment assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.

2) In cases where a new hospital would face an exceptional write off of items of equipment costing individually less than £5,000, the Board has the option to capitalise initial revenue equipment costs with a standard life of 10 years.

3) Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total (including VAT where this is not recoverable), or where they are part of the initial costs of equipping a new development and total over £20,000 (including VAT where this is not recoverable).

7.2 Measurement

Valuation:

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets that are not held for their service potential (i.e. investment properties and assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured subsequently at fair value as follows:

Specialised NHS Land, buildings, equipment, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value as specified in the FReM.

Non specialised land and buildings, such as offices, are stated at fair value.

Valuations of all land and building assets are carried out on an annual basis. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Scottish Government.

Non specialised equipment, installations and fittings are valued at fair value. Boards value such assets using the most appropriate valuation methodology available (for example, appropriate indices). A depreciated historical cost basis as a proxy for fair value in respect of such assets which have short useful lives or low values (or both).

Assets under construction are valued at current cost. This is calculated by the expenditure incurred to which an appropriate index is applied to arrive at current value. These are also subject to impairment review.

To meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual have been required:

Specialised operational assets are valued on a modified replacement cost basis to take account of modern substitute building materials and locality factors only.

Operational assets which are in use delivering front line services or back office functions, and surplus assets with restrictions on their disposal, are valued at current value in existing use. Assets have been assessed as surplus where there is no clear plan to bring the asset back into future use as an operational asset.

Subsequent expenditure:
Subsequent expenditure is capitalised into an asset's carrying value when it is probable the future economic benefits associated with the item will flow to the Board and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria the expenditure is charged to the Statement of Comprehensive Net Expenditure. If part of an asset is replaced, then the part it replaces is de-recognised, regardless of whether or not it has been depreciated separately.

Revaluations and Impairment:
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised as income. Movements on revaluation are considered for individual assets rather than groups or land/buildings together.

Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Gains and losses on revaluation are reported in the Statement of Comprehensive Net Expenditure.

Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure.

7.3 Depreciation

Items of Property, Plant and Equipment are depreciated to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Depreciation is charged on each main class of tangible asset as follows:

1) Freehold land is considered to have an infinite life and is not depreciated.

2) Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Board, respectively.

3) Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.

4) Buildings, installations and fittings are depreciated on current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.

5) Equipment is depreciated over the estimated life of the asset.

6) Property, plant and equipment held under finance leases are depreciated over the shorter of the lease term and the estimated useful life.

Depreciation is charged on a straight line basis and the following asset lives have been used:

Asset Category	Useful Life
Buildings Structure	4 to 70 Years
Buildings Engineering	3 to 35 Years
Buildings External Works	3 to 60 Years
Buildings Revenue Maintained	4 to 90 Years
Plant & Machinery	5 to 15 Years
Information Technology	5 to 8 Years
Furniture & Fittings	7 to 10 Years

8. Intangible Assets

8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Board's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Board and where the cost of the asset can be measured reliably.

Intangible assets that meet the recognition criteria are capitalised when they are capable of being used in a Board's activities for more than one year and they have a cost of at least £5,000.

The main classes of intangible assets recognised are:

<u>Software:</u>
Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Software licences:
Purchased computer software licences are capitalised as intangible assets where expenditure of at least £5,000 is incurred.

8.2 Measurement
Valuation:
Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets that are not held for their service potential (i.e. assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured at fair value. Where an active (homogeneous) market exists, intangible assets are carried at fair value. Where no active market exists, the intangible asset is revalued, using indices or some suitable model, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the intangible asset is valued using depreciated replacement cost. These measures are a proxy for fair value.

8.3 Amortisation
Intangible assets are amortised to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Amortisation is charged to the Statement of Comprehensive Net Expenditure on each main class of intangible asset as follows:

1) Software. Amortised over their expected useful life

2) Software licences. Amortised over the shorter term of the licence and their useful economic lives.

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Asset Category	Useful Life
Software Licences	5 to 8 Years
Information Technology Software	5 to 8 Years

9. Donated Assets

Non-current assets that are donated or purchased using donated funds are included in the Statement of Financial Position initially at the current full replacement cost of the asset. The accounting treatment, including the method of valuation, follows the rules in the NHS Capital Accounting Manual.

10. Sale of Property, plant and equipment, intangible assets and non-current assets held for sale

Disposal of non-current assets is accounted for as a reduction to the value of assets equal to the net book value of the assets disposed. When set against any sales proceeds, the resulting gain or loss on disposal will be recorded in the Statement of Comprehensive Net Expenditure. Non-

current assets held for sale will include assets transferred from other categories and will reflect any resultant changes in valuation.

11. Leasing

Accounting Policies
IFRS 16 Leases became effective for periods beginning on or after 1 January 2019, however the FReM deferred adoption until 1st April 2022. The cumulative catch-up method has been mandated by the FReM. Consequently, the comparatives for 2021-22 reflect the requirements of IAS 17 Leases.

Leases

Scope and classification
Leases are contracts, or parts of a contract that convey the right to use an asset in exchange for consideration. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration. The standard is also applied to accommodation sharing arrangements with other government departments.

Contracts or parts of contract that are leases in substance are determined by evaluating whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use.

The following are excluded:

- Contracts for low-value items, defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items; and
- contracts with a term shorter than twelve months (comprising the non-cancellable period plus any extension options that are reasonably certain to be exercised and any termination options that are reasonably certain not to be exercised).

Initial recognition
At the commencement of a lease (or the IFRS 16 transition date, if later), a right-of-use asset and a lease liability are recognised. The lease liability is measured at the present value of the payments for the remaining lease term (as defined above), net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, the rate advised by HM Treasury for that calendar year. The liability includes payments that are fixed or in-substance fixed, excluding, for example, changes arising from future rent reviews or changes in an index. The right-of-use asset is measured at the value of the liability, adjusted for any payments made or amounts accrued before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease. However, for peppercorn or nil consideration leases, the asset is measured at its existing use value.

Subsequent measurement
The asset is subsequently measured using the fair value model. The cost model is considered to be a reasonable proxy except for leases of land and property without regular rent reviews. For these leases, the asset is carried at a revalued amount. In these financial statements, right-ofuse assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration have been valued using market prices or rentals for equivalent land and properties. The liability is adjusted for the accrual of interest, repayments, and reassessments and modifications. These are measured by re-discounting the revised cash flows.

Lease expenditure
Expenditure includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in

which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases of low-value items or shorter than twelve months are expensed.

Transitional arrangements

The following determinations have been made:

- To adopt IFRS 16 retrospectively, without restatement of comparative balances. Consequently, the Statement of Comprehensive Net Expenditure and the Statement of Financial Position for 2021/22 reflect the requirements of IAS 17;
- Not to reassess the classification of contracts previously classified as leases or service contracts under IAS 17 and IFRIC 4. However, new contracts entered into from 1 April 2022 have been classified using the IFRS 16 criteria;
- For leases previously treated as operating leases:
  - To measure the liability at the present value of the remaining payments, discounted by the discount rate issued by HM Treasury;
  - To measure the asset at an amount equal to the liability, adjusted for any prepayment or accrual balances previously recognised for that lease;
  - To exclude leases whose term ends within twelve months of first adoption;
  - To use hindsight in assessing remaining lease terms;
  - For leases previously identified as onerous and provided for, to use the practical expedient of adjusting the right-of-use asset by the amount of that provision.
- For leases previously treated as finance leases:
  - To use the carrying amount of the lease asset and liability measured immediately before first adoption under IAS 17 as the carrying value of the right-of-use asset and lease liability as at first adoption.
- The 2023-24 FReM has been amended to require reporting entities to record indexation linked payments in PPP liabilities in accordance with IFRS 16 from 2023/24. The 2022/23 FReM has not been amended to clarify that this specific aspect of IFRS 16 has been deferred until 2023/24 and therefore does not apply in 2022/23. Where entities have in the past applied the principles of IAS 17 to account for the impact of changes in the relevant indices (e.g. CPI or RPI) in respect of on-balance sheet PPP/PFI contracts with index-linked payments, the application of IFRS 16 requirements is deferred to 1 April 2023.

Estimates and judgements

The Board determines the amounts to be recognised as the right-of-use asset and lease liability for embedded leases based on the stand-alone price of the lease and non-lease component or components. This determination reflects prices for leases of the underlying asset, where these are observable; otherwise, it maximises the use of other observable data, including the fair values of similar assets, or prices of contracts for similar non-lease components. In some circumstances, where stand-alone prices are not readily observable, the entire contracts are treated as a lease as a practical expedient. The FReM requires right-of-use assets held under “peppercorn” leases to be measured at existing use value.

Accounting for leases under IAS 17 (2021-22)

Finance leases Where substantially all risks and rewards of ownership of a leased asset are borne by the Board, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. Assets held under finance leases are valued at their fair values and are depreciated over the remaining period of the lease in accordance with IFRS.

The asset and liability are recognised at the inception of the lease, and are de- recognised when the liability is discharged, cancelled or expires. The minimum lease payments (annual rental less operating costs e.g. maintenance and contingent rental) are apportioned between the repayment of the outstanding liability and a finance charge. The annual finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability using either the implicit interest rate or another relevant basis of estimation such as the sum of the digits method. Finance charges are recorded as interest payable in the

Statement of Comprehensive Net Expenditure. Contingent rental and operating costs are charged as expenses in the periods in which they are incurred.

Operating leases
Other leases are regarded as operating leases and the rentals are charged to expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to expenditure over the life of the lease.

Leases of land and buildings
Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease unless title to the land is expected to transfer.

12. Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment. Impairment losses charged to the SOCNE are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

13. General Fund Receivables and Payables

Where the Health Board has a positive net cash book balance at the year end, a corresponding creditor is created and the general fund debited with the same amount to indicate that this cash is repayable to the SGHSCD. Where the Health Board has a net overdrawn cash position at the year end, a corresponding debtor is created and the general fund credited with the same amount to indicate that additional cash is to be drawn down from the SGHSCD.

14. Inventories

Inventories are valued at the lower of cost and net realisable value. Taking into account the high turnover of NHS inventories, the use of average purchase price is deemed to represent current cost. Work in progress is valued at the cost of the direct materials plus the conversion costs and other costs incurred to bring the goods up to their present location, condition and degree of completion.

15. Losses and Special Payments

Operating expenditure includes certain losses which would have been made good through insurance cover had the NHS not been bearing its own risks. Had the NHS provided insurance cover, the insurance premiums would have been included as normal revenue expenditure.

16. Employee Benefits

Short-term Employee Benefits
Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following year.

Pension Costs
The Board participates in the NHS Superannuation Scheme (Scotland). This scheme is an unfunded statutory pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay as specified in the regulations. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the Statement of Comprehensive Net Expenditure represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to the Exchequer. The pension cost is assessed every four years by the Government Actuary and this valuation determines the rate of contributions required. The most recent actuarial valuation is published by the Scottish Public Pensions Agency and is available on their website.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the Statement of Comprehensive Net Expenditure at the time the Board commits itself to the retirement, regardless of the method of payment.

17. Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above this threshold are reimbursed to Boards from a central fund held as part of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) by the Scottish Government.

NHS Forth Valley provide for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'Category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from the Clinical Negligence and Other Risks Indemnity Scheme in the event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

NHS Forth Valley also provides for its liability from participating in the scheme. The Participation in CNORIS provision recognises the Board's respective share of the total liability of NHS Scotland as advised by the Scottish Government and based on information prepared by NHS Boards and the Central Legal Office. The movement in the provisions between financial years is matched by a corresponding adjustment in AME provision and is classified as non-core expenditure.

18. Related Party Transactions

Material related party transactions are disclosed in the Note 24 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 3.

19. Value Added Tax

Most of the activities of the Board are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

20. PFI/HUB/NPD Schemes

Transactions financed as revenue transactions through the Private Finance Initiative or alternative initiatives such as HUB or the Non Profit Distributing Model (NPD) are accounted for in accordance with the HM Treasury application of IFRIC 12, *Service Concession Arrangements,* outlined in the FReM.

Schemes which do not fall within the application of IFRIC 12 are deemed to be off-Statement of Financial Position. Where the Board has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the Statement of Comprehensive Net Expenditure. Where, at the end of the PFI contract, a property reverts to the Board, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up on the Statement of Financial Position over the life of the contract by capitalising part of the unitary charge each year.

Transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Board. The underlying assets are recognised as Property, Plant and Equipment and Intangible Assets at their fair value. An equivalent liability is recognised in accordance with IAS 17. Where it is not possible to separate the finance element from the service element of unitary payment streams this has been estimated from information provided by the operator and the fair values of the underlying assets. Assets are subsequently revalued in accordance with the treatment specified for their applicable asset categories.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme.

The service charge and the finance cost interest element are charged in the Statement of Comprehensive Net Expenditure.

NHS Forth Valley currently discloses two PFI Properties within its Statutory Accounts. The Clackmannanshire Health Resource Centre and Forth Valley Royal Hospital are accounted for as On-statement of financial position and details of these two service concessions are reported within Note 18bPFI. Stirling Care Village is a HUB Design, Build, Finance and Maintain (DBFM) project and details of this service concession is also reported within Note 18b.

21. Provisions

The Board provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure

required to settle the obligation. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by HM Treasury.

22. Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in Note 14 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 14, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

23. Corresponding Amounts

Corresponding amounts are shown for the primary statements and notes to the financial statements. Where the corresponding amounts are not directly comparable with the amount to be shown in respect of the current financial year, IAS 1 'Presentation of Financial Statements', requires that they should be adjusted and the basis for adjustment disclosed in a note to the financial statements.

24. Financial Instruments

Financial assets

Business model
The Board's business model refers to how it manages its financial assets in order to generate cash flows and is determined at a level which reflects how groups of financial assets are managed to achieve a business objective, rather than assessment of individual instruments.

Classification
When the Board first recognises a financial asset, it classifies it based on its business model for managing the asset and the asset's contractual flow characteristics. The Board classifies its financial assets in the following categories: at fair value through profit or loss, amortised cost, and fair value through other comprehensive income. The default basis for financial assets is to be held at fair value through profit or loss, although alternative treatment may be designated where receivables are held to collect principal and interest and/or for sale.

(a) Financial assets at fair value through profit or loss

This is the default basis for financial assets.

(b) Financial assets held at amortised cost

A financial asset may be held at amortised cost where both of the following conditions are met:

i. the financial asset is held within a business model where the objective is to collect contractual cash flows; and

ii. the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

(c) Financial assets at fair value through other comprehensive income

A financial asset may be held at fair value through other comprehensive income where both of the following conditions are met:

i. the financial asset is held within a business model where the objective is to collect contractual cash flows *and* sell the asset; and
ii. the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

Impairment of financial assets

Provisions for impairment of financial assets are made on the basis of expected credit losses. The Board recognises a loss allowance for expected credit losses on financial assets and this is recognised in other comprehensive income, rather than reducing the carrying amount of the asset in the Statement of Financial Position.

Lifetime expected credit losses are recognised and applied to financial assets by the Board where there has been a significant increase in credit risk since the asset's initial recognition. Where the Board does not hold reasonable and supportable information to measure lifetime expected credit losses on an individual instrument basis, the losses are recognised on a collective basis which considers comprehensive credit risk information.

Recognition and measurement

Financial assets are recognised when the Board becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Board has transferred substantially all risks and rewards of ownership.

(a) Financial assets at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure.
Financial assets carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Financial assets held at amortised cost

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of the asset.

(c) Financial assets held at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure. Financial assets carried at fair value through other comprehensive income are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in other comprehensive income

Financial Liabilities

Classification
The Board classifies its financial liabilities in the following categories: at fair value through profit or loss, and amortised cost. The Board classifies all financial liabilities as measured at amortised cost, unless:

i. these are measured at fair value on a portfolio basis in accordance with a documented risk management or investment strategy;
ii. they contain embedded derivatives; and/or
iii. it eliminates or reduces 'accounting mismatch' that would otherwise arise from measurement or recognition on an amortised costs basis.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise derivatives. Liabilities in this category are classified as current liabilities. The NHS Board does not trade in derivatives and does not apply hedge accounting.

(b) Financial liabilities held at amortised cost

Financial liabilities held at amortised cost are disclosed in current liabilities, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current liabilities. The NHS Board's financial liabilities held at amortised cost comprise trade and other payables in the Statement of Financial Position.

Recognition and measurement
Financial liabilities are recognised when the NHS Board becomes party to the contractual provisions of the financial instrument.

A financial liability is removed from the Statement of Financial Position when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial liabilities carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Amortised costs

Financial liabilities held at amortised cost are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

25. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments. This has been identified as the senior management of the Board.

Operating segments are unlikely to directly relate to the analysis of expenditure shown in Note 3.

26. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position. Where the Government Banking Service is using Natwest and Royal Bank of Scotland Group to provide the banking services, funds held in these accounts should not be classed as commercial bank balances.

27. Foreign exchange

The functional and presentational currencies of the Board are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expenditure in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

28. Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Board has no beneficial interest in them.

However, they are disclosed in Note 25 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual. In addition, where third party monies have been held in a public bank account, commentary is provided in Note 11.

29. Key sources of judgement and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Board makes judgements in applying accounting policies. The estimates, assumptions and judgements that have a significant risk of a causing material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are addressed below.

Judgements

Pfi/ Hospitals and Hub – when considering the application of IFRIC 12 for the Forth Valley Royal Hospital and Clackmannanshire Health Resource Pfi facilities, and also the Stirling Care Village Hub arrangement, judgements were made regards the Interpretation of IFRIC 12 that gives guidance on the accounting by operators for public-to-private service concession arrangements. It is the Board's view that they control and regulate what services the operator must

provide with the infrastructure, to whom it must provide them, and at what price, and hence the application of IFRIC 12 is appropriate.

Clinical and Medical Negligence - The Scottish Government provides Risk Levels via Central Legal Office returns on a quarterly basis for all clinical and medical negligence claims lodged against NHS Forth Valley. All Risk Level 3 and 50% of Risk Level 2 claims are Provided for within Note 13 of the accounts, and all Level 1 and the remaining 50% of Level 2 claims are presented as Contingent Liabilities within Note 14 of the accounts.

Estimates

Clinical and Medical Negligence Provision: The clinical and medical negligence provision is calculated using information received from the Central Legal Office regarding claims they have received relating to NHS Forth Valley. As per Note 13 of the accounts the carrying value of the Clinical and Medical Negligence Provision as at 31st March 2023 is £37.965m

Revaluation of Land and Buildings: the Board commissioned a full revaluation of the NHS Forth Valley estate as at 31st March 2023, with draft valuations being carried out by the Valuation Office Agency (VOA) during November and December 2022, and final valuations being issued on April 2023. Judgements are made about the status of property which affects the valuation methodology based on Royal Institute of Chartered Surveyors (RICS) guidance, International Financial Reporting Standards (IFRS) as interpreted, and also guidance contained within the HM Treasury Financial Reporting Manual (FREM). The carrying value of Land and Buildings at 31st March 2023 as per Note 7(a) and 17(a) to the accounts was £553.58m.

Following the Covid-19 pandemic and the measures taken to tackle it, economies and real estate markets globally continue to be affected by a number of issues including the ongoing war in Ukraine, the increasing cost of energy, increased food production costs and the effects of climate change. In the UK and elsewhere, these issues have contributed to the well documented cost of living crisis. Nevertheless, as at the valuation date of 31st March 2023 most property markets are functioning, with transaction volumes and other relevant evidence at a level where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. This explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared.

Useful Live of Property, **Plant & Equipment (PPE):** as shown in note 7(a), property plant and equipment (PPE) is material to these consolidated accounts. At section 7.3 of this note we disclose, for each category of PPE, the lowest minimum and the highest maximum in the ranges of useful lives used by NHS Forth Valley. Useful lives are the period over which assets are depreciated.

30. Events after the Reporting Period

Events that have occurred after the reporting period up to the authorised for issue date have been considered in the financial statements. Events can be adjusting or non-adjusting. Adjusting events are events that provide evidence of conditions that existed at the reporting date, and material adjusting events are reflected in the financial statements and notes. Non-adjusting events are events that are indicative of conditions that arose after the reporting date, and material non-adjusting events are disclosed in the financial statements or notes. There were no adjusting or non-adjusting events up to the authorised for issue date in 2023/24.

2a. SUMMARY OF CORE REVENUE RESOURCE OUTTURN	Note	2023 £'000	2023 £'000
Net expenditure	SoCNE		778,641
Total non core expenditure (see below)			(22,854)
Family Health Services non-discretionary allocation			(43,539)
Endowment net expenditure			(18)
Associates and joint ventures accounted for on an equity basis			(7,409)
Total Core Expenditure			**704,821**
Core Revenue Resource Limit			705,050
Saving/(excess) against Core Revenue Resource Limit			**229**

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN		
Capital grants to / (from) other bodies	1,369	
Depreciation / amortisation	8,802	
Annually Managed Expenditure - impairments	(576)	
Annually Managed Expenditure - provisions	2,771	
Annually Managed Expenditure - depreciation of donated assets	18	
Annually Managed Expenditure - pension valuation	0	
Annually Managed Expenditure - fair value adjustments	(4)	
Additional Scottish Government non-core funding	0	
Donated assets income	0	
IFRS PFI expenditure	9,481	
Right of Use (RoU) Interest	962	
Right of Use (RoU) Non-recoverable VAT	31	
Right of Use (RoU) Asset Depreciation	0	
Right of Use (RoU) Peppercorn Leases Depreciation	0	
Total Non Core Expenditure		**22,854**
Non Core Revenue Resource Limit		0
Saving/(excess) against Non Core Revenue Resource Limit		**(22,854)**

SUMMARY RESOURCE OUTTURN	Resource £'000	Expenditure £'000	Saving/(Excess) £'000
Core	705,050	704,821	229
Non Core	22,854	22,854	0
Total	**727,904**	**727,675**	**229**

2b. NOTES TO THE CASHFLOW STATEMENT

Consolidated adjustments for non-cash transactions

2022 £'000		Note	2023 £'000
	Expenditure Not Paid In Cash		
18,116	Depreciation	7a	18,100
307	Amortisation	6a	262
23	Depreciation of donated assets	7a	18
0	Depreciation of Right of Use (RoU) Assets	17b	993
0	Right of Use (RoU) Remeasurement (gain)/loss	17b	4
2,085	Impairments on PPE charged to SoCNE		357
(1,198)	Reversal of impairments on PPE charged to SoCNE		(1,017)
92	GP Loans fair value adjustment	10	(4)
(17,249)	Associates and joint ventures accounted for on an equity basis	SoCNE	7,409
(1,225)	Other		0
951	**Total Expenditure Not Paid In Cash**	CFS	**26,122**

Interest payable recognised in operating expenditure

2022 £'000		Note	2023 £'000
	Interest Payable		
14,366	PFI Finance lease charges allocated in the year	18b	13,943
116	Lease Interest	17b	149
(71)	Provisions - Unwinding of discount		(1,249)
14,411	**Net Interest payable**		**12,843**

Consolidated movements in working capital

2022 Net Movement £'000		Note	Opening Balances £'000	Closing Balances £'000	2023 Net Movement £'000
	INVENTORIES				
(167)	Balance Sheet	8	2,012	2,639	(627)
(167)	**Net Decrease/(Increase)**		**2,012**	**2,639**	**(627)**
	TRADE AND OTHER RECEIVABLES				
(1,455)	Due within one year	9	16,816	24,578	(7,762)
(2,253)	Due after more than one year	9	40,831	34,903	5,928
(3,708)	**Net Decrease/(Increase)**		**57,647**	**59,481**	**(1,834)**
	TRADE AND OTHER PAYABLES				
47,862	Due within one year	12	163,216	132,486	(30,730)
(9,874)	Due after more than one year	12	302,799	293,787	(9,012)
(6,778)	Less: Property, Plant & Equipment (Capital) included in above		(14,685)	(9,198)	5,487
(2)	Less: General Fund Creditor included in above	12	(37)	(36)	1
9,714	Less: Lease and PFI Creditors included in above	12	(312,551)	(304,553)	7,998
40,922	**Net (Decrease)/Increase**		**138,742**	**112,486**	**(26,256)**
	PROVISIONS				
4,246	Statement of Financial Position	13a	87,897	85,170	(2,727)
4,246	**Net (Decrease)/Increase**		**87,897**	**85,170**	**(2,727)**
41,293	**NET MOVEMENT (Decrease)/Increase**	CFS	**(166,980)**	**(135,536)**	**(31,444)**

3.OPERATING EXPENSES

3a. Employee Expenditure

Consolidated 2022 £'000		Consolidated 2023 £'000
75,978	Medical and Dental	80,883
162,915	Nursing	176,033
108,989	Other Staff	119,701
347,882	**Total**	**376,617**

Further detail and analysis of employee costs can be found in the Remuneration and Staff Report, forming part of the Accountability Report.

3b. Other Operating expenditure

2022 £'000		2023 £'000
	Independant Primary Care Services:	
52,378	General Medical Services	53,668
15,666	Pharmaceutical Services	16,162
21,522	General Dental Services	25,453
5,937	General Ophthalmic Services	6,037
95,503	**Total**	**101,320**
	Drugs and medical supplies:	
55,752	Prescribed drugs Primary Care	59,495
46,486	Prescribed drugs Secondary Care	51,714
5,922	PPE and Testing Kits	780
21,483	Medical Supplies	21,824
129,643	**Total**	**133,813**
	Other health care expenditure	
340,119	Contribution to Integration Joint Boards	350,176
54,311	Goods and services from other NHSScotland bodies	57,237
433	Goods and services from other UK NHS bodies	164
1,513	Goods and services from private providers	1,658
6,608	Goods and services from voluntary organisations	6,935
21,688	Resource Transfer	21,570
0	Loss on disposal of assets	0
83,694	Other operating expenses	36,501
5,207	Rates	5,195
51,156	PFI & Finance Lease Costs	54,657
18,446	Depreciation	18,846
31,534	Local Authority Costs	32,961
6,406	Compensation Payments - Clinical	1,832
154	External Auditor's remuneration - statutory audit fee	187
335	Endowment Fund expenditure	500
621,604	**Total**	**588,419**
846,750	**Total Other Operating Expenditure**	**823,552**

There are no other Services provided by the External Auditors.

4. OPERATING INCOME

Consolidated 2022 £'000			Consolidated 2023 £'000
854	Income from Scottish Government		256
31,143	Income from other NHS Scotland bodies		33,017
405	Income from NHS non-Scottish bodies		461
0	Income from private patients		0
340,119	Income for services commissioned by Integration Joint Board		374,278
2,304	Patient charges for primary care		4,156
2,898	Donations		0
0	Profit on disposal of assets		0
6,286	Contributions in respect of clinical and medical negligence claims		(1,688)
18	Interest received	CFS	38
	Non NHS:		
3	Overseas patients (non-reciprocal)		11
432	Non-patient care income generation schemes		551
258	Endowment Fund Income		482
18,060	Other		17,375
402,780	**Total Income**	SoCNE	**428,937**

5. SEGMENT INFORMATION

Segmental information as required under IFRS has been reported for each strategic objective

	Clinical Services	Corporate Functions & Facilities	Externals/Cross Boundary Flow	Clacks/Stirling HSCP (Operational & Universal)	Falkirk HSCP (Operational & Universal)	Unallocated	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost	309,446	106,750	46,318	148,625	160,075	0	**771,214**
If reported to Senior Management also disclose;							
Total assets	0	0	0	0	0	664,901	**664,901**
Total liabilities	0	0	0	0	0	(511,235)	**(511,235)**
Total segment revenue	20,696	10,030	14,574	3,622	5,256	0	**54,178**
Inter-segment revenue	0	0	0	0	0	0	**0**
Revenue from external sources	20,696	10,030	14,574	3,622	5,256	0	**54,178**
Impairment losses recognised in SoCNE	0	(656)	0	0	0	0	**(656)**
Impairment losses recognised in Reserves	0	0	0	0	0	0	**0**
Impairment reversals recognised in SoCNE	0	0	0	0	0	0	**0**
Impairment reversals recognised in Reserves	0	0	0	0	0	0	**0**
Depreciation and amortisation	0	18,381	0	0	0	0	**18,381**
Interest income	0	0	0	0	0	0	**0**
Interest expense	0	0	0	0	0	0	**0**
Non-current assets held for sale	0	355	0	0	0	0	**355**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	0	0	0	0	0	0	**0**

5. SEGMENT INFORMATION - PRIOR YEAR

Segmental information as required under IFRS has been reported for each strategic objective

	Clinical Services	Corporate Functions & Facilities	Externals/Cross Boundary Flow	Clacks/Stirling HSCP (Operational & Universal)	Falkirk HSCP (Operational & Universal)	Unallocated	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost	291,636	130,505	44,340	150,576	157,546	0	**774,603**
If reported to Senior Management also disclose;							
Total assets	0	0	0	0	0	639,430	**639,430**
Total liabilities	0	0	0	0	0	(553,825)	**(553,825)**
Total segment revenue	16,637	15,141	13,622	2,443	4,420	0	**52,263**
Inter-segment revenue	0	0	0	0	0	0	**0**
Revenue from external sources	16,637	15,141	13,622	2,443	4,420	0	**52,263**
Impairment losses recognised in SoCNE	0	(177)	0	0	0	0	**(177)**
Impairment losses recognised in Reserves	0	0	0	0	0	0	**0**
Impairment reversals recognised in SoCNE	0	0	0	0	0	0	**0**
Impairment reversals recognised in Reserves	0	0	0	0	0	0	**0**
Depreciation and amortisation	0	18,446	0	0	0	0	**18,446**
Interest income	0	0	0	0	0	0	**0**
Interest expense	0	0	0	0	0	0	**0**
Non-current assets held for sale	0	556	0	0	0	0	**556**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)	0	0	0	0	0	0	**0**

6a. INTANGIBLE ASSETS (NON-CURRENT) - CONSOLIDATED

		Software Licences 2023 £'000	IT - software 2023 £'000	Total 2023 £'000
Cost or Valuation:				
As at 1st April 2022		1,046	5,188	6,234
Additions		0	102	102
At 31st March 2023		**1,046**	**5,290**	**6,336**
Amortisation				
As at 1st April 2022		1,046	4,492	5,538
Provided during the year		0	262	262
At 31st March 2023		**1,046**	**4,754**	**5,800**
Net Book Value at 1st April 2022		**0**	**696**	**696**
Net Book Value at 31 March 2023	**SoFP**	**0**	**536**	**536**

6a. INTANGIBLE ASSETS (NON-CURRENT) cont. - CONSOLIDATED PRIOR YEAR

		Software Licences 2022 £'000	IT - software 2022 £'000	Total 2022 £'000
Cost or Valuation:				
As at 1st April 2021		1,046	5,188	6,234
Additions		0	0	0
At 31st March 2022		**1,046**	**5,188**	**6,234**
Amortisation				
As at 1st April 2021		1,046	4,185	5,231
Provided during the year		0	307	307
At 31st March 2022		**1,046**	**4,492**	**5,538**
Net Book Value at 1st April 2021		**0**	**1,003**	**1,003**
Net Book Value at 31 March 2022	**SoFP**	**0**	**696**	**696**

NHS Forth Valley Endowment Funds do not have any Intangible Assets

7. (a) PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED

		Land (including under buildings) 2023 £'000	Buildings (excluding dwellings) 2023 £'000	Dwellings 2023 £'000	Transport Equipment 2023 £'000	Plant & Machinery 2023 £'000	Information Technology 2023 £'000	Furniture & Fittings 2023 £'000	Assets Under Construction 2023 £'000	Total 2023 £'000
Cost or valuation										
At 1 April 2022		22,097	511,336	459	38	67,158	29,906	1,712	8,207	640,913
Additions - purchased		0	1,528	0	0	3,324	2,180	0	7,054	14,086
Additions - donated		0	0	0	0	0	0	0	0	0
Completions		0	371	0	0	2,558	931	0	(3,860)	0
Revaluations		171	16,225	11	0	0	0	0	0	16,407
Impairment charges		(1)	(869)	0	0	0	0	0	0	(870)
Impairment reversals		78	0	0	0	0	0	0	0	78
Disposals - purchased		(185)	0	0	0	0	0	0	0	(185)
Disposals - donated		0	0	0	0	0	0	0	0	0
At 31 March 2023		**22,160**	**528,591**	**470**	**38**	**73,040**	**33,017**	**1,712**	**11,401**	**670,429**
Depreciation										
At 1 April 2022		0	4,767	0	38	44,825	18,582	1,712	0	69,924
Provided during the year - purchased		0	12,392	25	0	3,521	2,162	0	0	18,100
Provided during the year - donated		0	8	0	0	10	0	0	0	18
Revaluations		0	(11,660)	(25)	0	0	0	0	0	(11,685)
Impairment charges		0	356	0	0	0	0	0	0	356
Impairment reversals		0	(939)	0	0	0	0	0	0	(939)
Disposals - purchased		0	0	0	0	0	0	0	0	0
Disposals - donated		0	0	0	0	0	0	0	0	0
At 31 March 2023		**0**	**4,924**	**0**	**38**	**48,356**	**20,744**	**1,712**	**0**	**75,774**
Net book value at 1 April 2022		**22,097**	**506,569**	**459**	**0**	**22,333**	**11,324**	**0**	**8,207**	**570,989**
Net book value at 31 March 2023	**SoFP**	**22,160**	**523,667**	**470**	**0**	**24,684**	**12,273**	**0**	**11,401**	**594,655**
Open Market Value of Land in Land and Dwellings Included Above		**1,675**		**0**						
	Note	The Retained Estate comprises land (£1.650m at 31 March 2022) which was primarily intended for use by NHS Forth Valley but is now suplus to requirements and is therefore held at Market Value.								
Asset financing:										
Owned - purchased		22,160	65,273	470	0	24,643	12,273	0	11,401	136,220
Owned - donated		0	195	0	0	41	0	0	0	236
On-balance sheet PFI contracts		0	458,199	0	0	0	0	0	0	458,199
Net book value at 31 March 2023		**22,160**	**523,667**	**470**	**0**	**24,684**	**12,273**	**0**	**11,401**	**594,655**

7. (a) PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED PRIOR YEAR

		Land (including under buildings) 2022 £'000	Buildings (excluding dwellings) 2022 £'000	Dwellings 2022 £'000	Transport Equipment 2022 £'000	Plant & Machinery 2022 £'000	Information Technology 2022 £'000	Furniture & Fittings 2022 £'000	Assets Under Construction 2022 £'000	Total 2022 £'000
Cost or valuation										
At 1 April 2021		22,211	496,938	454	38	66,322	28,624	1,712	3,359	619,658
Additions - purchased		0	2,444	0	0	2,907	2,103	0	7,596	15,050
Additions - donated		0	0	0	0	0	0	0	0	0
Completions		0	507	0	0	1,633	608	0	-2,748	0
Revaluations		-112	21,627	5	0	0	0	0	0	21,520
Impairment charges		(2)	(2,592)	(0)	(0)	(1,978)	(1,429)	(0)	(0)	(6,001)
Impairment reversals		0	0	0	0	0	0	0	0	0
Disposals - purchased		0	(53)	0	0	(1,726)	0	0	0	(1,779)
Disposals - donated		0	0	0	0	0	0	0	0	0
At 31 March 2022		**22,097**	**518,871**	**459**	**38**	**67,158**	**29,906**	**1,712**	**8,207**	**648,448**
Depreciation										
At 1 April 2021		0	4,667	0	38	43,951	17,480	1,712	0	67,848
Provided during the year - purchased		0	12,156	23	0	3,912	2,025	0	0	18,116
Provided during the year - donated		0	7	0	0	16	0	0	0	23
Revaluations		0	(11,739)	(23)	0	-1,978	-1,429	0	0	(15,169)
Impairment charges		0	927	0	0	650	506	0	0	2,083
Impairment reversals		0	(1,198)	0	0	0	0	0	0	(1,198)
Disposals - purchased		0	-53	0	0	-1,726	0	0	0	(1,779)
Disposals - donated		0	0	0	0	0	0	0	0	0
At 31 March 2022		**0**	**4,767**	**0**	**38**	**44,825**	**18,582**	**1,712**	**0**	**69,924**
Net book value at 1 April 2021		**22,211**	**492,271**	**454**	**0**	**22,371**	**11,144**	**0**	**3,359**	**551,810**
Net book value at 31 March 2022	**SoFP**	**22,097**	**514,104**	**459**	**0**	**22,333**	**11,324**	**0**	**8,207**	**578,524**
Open Market Value of Land in Land and Dwellings Included Above		**1,675**		**0**						
	Note	The Retained Estate comprises land (£1.675m at 31 March 2021) which was primarily intended for use by NHS Forth Valley but is now suplus to requirements and is therefore held at Market Value.								
Asset financing:										
Owned - purchased		22,097	63,959	459	0	22,282	11,324	0	8,207	128,328
Owned - donated		0	196	0	0	51	0	0	0	247
Held on finance lease		0	7,535	0	0	0	0	0	0	7,535
On-balance sheet PFI contracts		0	442,414	0	0	0	0	0	0	442,414
Net book value at 31 March 2022		**22,097**	**514,104**	**459**	**0**	**22,333**	**11,324**	**0**	**8,207**	**578,524**

7. (c) PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated 2022 £'000	Board 2022 £'000			Consolidated 2023 £'000	Board 2023 £'000
		Net book value of property, plant and equipment at 31 March			
578,277	578,277	Purchased	7a	594,419	594,419
247	247	Donated	7a	236	236
578,524	**578,524**	**Total**	**SoFP**	**594,655**	**594,655**
1,650	1,650	Net book value related to land valued at open market value at 31 March		1,675	1,675
0	0	Net book value related to buildings valued at open market value at 31 March		0	0
		Total value of assets held under:			
7,535	7,535	Finance Leases		0	0
0	0	Hire Purchase Contracts		0	0
442,414	442,414	PFI and PPP Contracts		458,199	458,199
449,949	449,949			458,199	458,199
		Total depreciation charged in respect of assets held under:			
442	442	Finance leases		0	0
0	0	Hire Purchase Contracts		0	0
9,124	9,124	PFI and PPP contracts		9,561	9,561
9,566	9,566			9,561	9,561

All land and buildings were revalued by an independent valuer, The Valuation Office Agency at 31st March 2023 on the basis of fair value (market value or depreciated replacement cost where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statetment of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS. The net impact was an increase of £27.883m, (2021/2022 an increase of £29.803m) of which £27.300m was credited to the revaluation reserve (2021-22: £30.690m credited). Impairment Reversal of £0.5837m (2021/2022 £0.887m) was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn. Right of use Assets were also subject to revaluation by the independent auditor and their value increased by £0.708m as at 31st March 2023.

7d. ANALYSIS OF CAPITAL EXPENDITURE

Consolidated 2022 £'000		Note	Consolidated 2023 £'000
	EXPENDITURE		
0	Acquisition of intangible assets	6	102
15,050	Acquisition of property, plant and equipment	7a	14,086
0	Right of Use (RoU) Additions	17a	505
15,050	**Gross Capital Expenditure**		**14,693**
	INCOME		
0	Net book value of disposal of intangible assets	6	0
0	Net book value of disposal of property, plant and equipment	7a	185
0	**Capital**		**Income**
185			
15,050	**Net Capital Expenditure**		**14,508**

SUMMARY OF CAPITAL RESOURCE OUTTURN

15,050	Core capital expenditure included above	14,508
15,050	Core Capital Resource Limit	14,508
0	**Saving/(excess) against Core Capital Resource Limit**	**0**
15,050	Total Capital Expenditure	14,508
15,050	Total Capital Resource Limit	14,508
0	**Saving/(excess) against Total Capital Resource Limit**	**0**

8. INVENTORIES

Consolidated 2022 £'000			Consolidated 2023 £'000
2,012	Raw Materials and Consumables		2,639
2,012	**Total Inventories**	SoFP	**2,639**

NHS Forth Valley Endowment Funds do not hold any Stock.

9. TRADE AND OTHER RECEIVABLES

Consolidated 2022 £'000	Board 2022 £'000		Note	Consolidated 2023 £'000	Board 2023 £'000
		Receivables due within one year			
		NHSScotland			
128	128	SGHSCD		46	46
3,754	3,754	Boards		5,655	5,655
3,882	**3,882**	**Total NHSScotland Receivables**		**5,701**	**5,701**
89	89	NHS Non-Scottish Bodies		110	110
0	0	General Fund Receivable		0	0
2,456	2,456	VAT recoverable		3,317	3,317
890	890	Prepayments		1,532	1,532
728	728	Accrued income		1,563	1,563
3,905	3,863	Other Receivables		4,737	4,699
3,149	3,149	Reimbursement of provisions		4,945	4,945
1,717	1,717	Other Public Sector Bodies		2,673	2,673
16,816	**16,774**	**Total Receivables due within one year**	SoFP	**24,578**	**24,540**
		Receivables due after more than one year			
		NHSScotland			
0	0	- SGHSCD		0	0
0	0	- Boards		0	0
0	**0**	**Total NHSScotland Receivables**		**0**	**0**
0	0	Other Public Sector Bodies		0	0
60	60	Prepayments		47	47
893	893	Accrued income		930	930
39,878	39,878	Reimbursement of Provisions		33,926	33,926
40,831	**40,831**	**Total Receivables due after more than one year**	SoFP	**34,903**	**34,903**
57,647	**57,605**	**TOTAL RECEIVABLES**		**59,481**	**59,443**
30	30	The total receivables figure above includes a provision for impairments of :		30	30
		WGA Classification			
3,754	3,754	NHSScotland		5,655	5,655
2,584	2,584	Central Government Bodies		3,363	3,363
1,717	1,717	Whole of Government Bodies		2,673	2,673
89	89	Balances with NHS Bodies in England and Wales		110	110
49,503	49,461	Balances with bodies external to Government		47,680	47,642
57,647	**57,605**	**Total**		**59,481**	**59,443**

2022 £'000	2022 £'000	Movements on the provision for impairment of receivables are as follows:	2023 £'000	2023 £'000
30	30	At 1 April	30	30
21	21	Provision for impairment	22	22
(21)	(21)	Receivables written off during the year as uncollectible	(22)	(22)
0	0	Unused amounts reversed	0	0
30	**30**	At 31 March	**30**	**30**

As of 31 March 2023, receivables with a carrying value of £30K (2021-22: £30K) were impaired and provided for. The aging of these receivables is as follows:

2022 £'000	2022 £'000		2023 £'000	2023 £'000
12	12	3 to 6 months past due	19	19
18	18	Over 6 months past due	11	11
30	**30**		**30**	**30**

The receivables assessed as individually impaired were mainly overseas patients and private individuals and it was assessed that not all of the receivable balance may be recovered.

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2023, receivables with a carrying value of £1,690K (2021-22: £2,599K) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:

2022 £'000	2022 £'000		2023 £'000	2023 £'000
1,440	1,440	Up to 3 months past due	1,573	1,573
185	185	3 to 6 months past due	106	106
974	974	Over 6 months past due	11	11
2,599	**2,599**		**1,690**	**1,690**

9. TRADE AND OTHER RECEIVABLES, Contd.

The receivables assessed as past due but not impaired were mainly NHS Scotland Health Boards, Local Authorities and Universities and there is no history of default from these customers recently.

Concentration of credit risk is limited due to customer base being large and unrelated/government bodies. Due to this, management believe that there is no future credit risk provision required in excess of the normal provision for doubtful receivables.

The credit quality of receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available. Where no external credit rating is available, historical information about counterparty default rates is used.

Receivables that are neither past due nor impaired are shown by their credit risk below;

2022 £'000	2022 £'000		2023 £'000	2023 £'000
0	0	Counterparties with no external credit rating:	0	0
0	0	New customers	0	0
18,599	18,599	Existing customers with no defaults in the past	20,431	20,431
0	0	Existing customers with some defaults in the past	0	0
18,599	**18,599**	Total neither past due or impaired	**20,431**	**20,431**

The maximum exposure to credit risk is the fair value of each class of receivable.

The NHS Board does not hold any collateral as security.

2022 £'000	2022 £'000	The carrying amount of receivables are denominated in the following currencies:	2023 £'000	2023 £'000
57,647	57,605	Pounds	59,481	59,443
0	0	Euros	0	0
0	0	US Dollars	0	0
57,647	**57,605**		**59,481**	**59,443**

All non-current receivables are due within six years (2021-22: six years) from the balance sheet date.

The carrying amount of short term receivables approximates their fair value.

The fair value of long term other receivables is £0 (2021-22: £0)

The effective interest rate on non-current other receivables is 3.5% (2021-22: 3.5%). Pension liabilities are discounted at 4.15% (2021-22: 1.55%)

10. INVESTMENTS

Consolidated 2022 £'000	Board 2022 £'000			Consolidated 2023 £'000	Board 2023 £'000
3,800	556	Other		3,590	560
3,800	**556**	**TOTAL**	**SoFP**	**3,590**	**560**
3,371	355	At 1 April		3,800	556
813	0	Additions	**CFS**	442	0
293	293	GP Loans advances		0	0
(732)	0	Disposals		(515)	0
(92)	(92)	GP Loans Fair Value Adjustment		4	4
147	0	Revaluation surplus/(deficit) transfered to equity		(141)	0
3,800	**556**	At 31 March		**3,590**	**560**
3,800	556	Non-current	**SoFP**	3,590	560
3,800	**556**	At 31 March		**3,590**	**560**

Other Investments comprises the Investment in East Central Hub Scotland Ltd denominated in UK pounds. The carrying value of the investment is cost as there is no active market for the equity investment in East Central Territory Hub Ltd.The other Investment is a £355k non equity long term loan repayable in full with interest as part of the financing arrangements for the Stirling Care Village. In 2021/2022 we had a new loan to Tillicoultry Medical Practice on which no interest is chargeable and as such the net present value of the Loan is £201k. Section 10 of the National Code of practice for GP Premises entitles all GP Contractors who own their premises to receive an interest free loan from their Health Board in order to increase the stability of the practice and increase the incentive of being a partner in a practice which owns its premises. The loan is repayable on sale of the premises or cancellation of the General Medical Services Contract.

11. CONSOLIDATED CASH AND CASH EQUIVALENTS

		2023 £'000	2022 £'000
Balance at 1 April		229	232
Net change in cash and cash equivalent balances	CFS	133	(3)
Balance at 31 March	SoFP	**362**	**229**
Overdrafts			0
0 **Total Cash - Cash Flow Statement**		**362**	**229**
The following balances at 31 March were held at:			
Government Banking Service		11	23
Commercial banks and cash in hand		25	14
Overdrafts		0	0
Short term investments		0	0
Endowment cash			326
192 **Balance at 31 March**			**362**
229			

NHS Forth Valley closing Bank Balance was £36k (2021/2022 £37k).

12. TRADE AND OTHER PAYABLES

Consolidated 2022 £'000	Board 2022 £'000		Note	Consolidated 2023 £'000	Board 2023 £'000
		Payables due within one year			
		NHSScotland			
33	33	Scottish Government Health & Social Care Directorate		25	25
7,903	7,903	Boards		14,811	14,811
7,936	**7,936**	**Total NHSScotland Payables**		**14,836**	**14,836**
705	705	NHS Non-Scottish bodies		487	487
37	37	Amounts payable to General Fund		36	36
15,007	15,007	FHS practitioners		15,664	15,664
1,368	1,368	Trade payables		1,848	1,848
59,743	59,743	Accruals		46,114	46,114
1,193	1,193	Payments received on account		680	680
235	235	Net obligations under finance leases	17b	806	806
9,810	9,810	Net obligations under PPP / PFI Contracts	18b	10,253	10,253
6,509	6,509	Income tax and social security		7,514	7,514
5,717	5,717	Superannuation		6,002	6,002
1,739	1,739	Holiday pay accrual		1,503	1,503
52,983	52,983	Other public sector bodies		26,310	26,310
234	147	Other payables		433	225
163,216	**163,129**	**Total Payables due within one year**	SoFP	**132,486**	**132,278**
		Payables due after more than one year			
		NHSScotland			
246	246	Net obligations under leases due within 2 years	17b	677	677
802	802	Net obligations under leases due after 2 years but within 5 years	17b	1,483	1,483
2,505	2,505	Net obligations under leases due after 5 years	17b	2,634	2,634
10,253	10,253	Net obligations under PPP / PFI contracts due within 2 years	18b	10,714	10,714
33,611	33,611	Net obligations under PPP / PFI contracts due after 2 years but with	18b	35,128	35,128
255,089	255,089	Net obligations under PPP / PFI contracts due after 5 years	18b	242,858	242,858
293	293	Other payables		293	293
302,799	**302,799**	**Total Payables due after more than one year**	SoFP	**293,787**	**293,787**
466,015	**465,928**	**TOTAL PAYABLES**		**426,273**	**426,065**

12. TRADE AND OTHER PAYABLES Contd

Consolidated 2022 £'000	Board 2022 £'000		Note	Consolidated 2023 £'000	Consolidated 2023 £'000
		WGA Classification			
7,903	7,903	NHSScotland		14,811	14,811
12,226	12,226	Central Government Bodies		13,516	13,516
53,047	53,047	Whole of Government Bodies		26,472	26,472
705	705	Balances with NHS Bodies in England and Wales		487	487
392,134	392,047	Balances with bodies external to Government		370,987	370,779
466,015	**465,928**	**Total**		**426,273**	**426,065**

£'000	£'000	Borrowings included above comprise:	£'000	£'000
0	0	Bank overdrafts	0	0
3,788	3,788	Leases	5,600	5,600
308,763	308,763	PFI Contracts	298,953	298,953
312,551	**312,551**		**304,553**	**304,553**

2022 £'000	2022 £'000	The carrying amount and fair value of the non-current borrowings are as follows **Carrying amount**	2023 £'000	2023 £'000
3,553	3,553	Leases	4,794	4,794
298,953	298,953	PFI Contracts	288,700	288,700
302,506	**302,506**		**293,494**	**293,494**

2022 Fair value £'000	2022 Fair value £'000	The carrying amount and fair value of the non-current borrowings are as follows **Fair value**	2023 Fair value £'000	2023 Fair value £'000
3,637	3,637	Leases	4,794	4,794
298,953	298,953	PFI Contracts	288,700	288,700
302,590	**302,590**		**293,494**	**293,494**

The carrying amount of short term payables approximates their fair value.

2022 £'000	2022 £'000	The carrying amount of payables are denominated in the following currencies:	2023 £'000	2023 £'000
466,015	465,928	Pounds	426,273	426,065
0	0	Euros	0	0
0	0	US Dollars	0	0
466,015	**465,928**		**426,273**	**426,065**

13a. PROVISIONS - CONSOLIDATED AND BOARD

	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non-endowment) £'000	2022 Total £'000
At 1 April 2022	6,512	42,708	37,879	798	87,897
Arising during the year	1,320	15,163	6,314	378	23,175
Utilised during the year	(493)	(3,252)	(2,777)	(92)	(6,614)
Unwinding of discount	(1,249)	0	0	0	(1,249)
Reversed unutilised	(1,278)	(16,654)	0	(107)	(18,039)
At 31 March 2023	**4,812**	**37,965**	**41,416**	**977**	**85,170**

The amounts shown above in relation to Clinical & Medical Legal Claims against NHS Forth Valley are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 9.

Analysis of expected timing of discounted flows to 31 March 2023

	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non-endowment) £'000	2022 Total £'000	
Payable in one year	448	4,661	10,340	302	15,751	SoFP
Payable between 2 - 5 years	1,794	9,621	25,191	675	37,281	SoFP
Payable between 6 - 10 years	1,518	21,841	2,144	0	25,503	SoFP
Thereafter	1,052	1,842	3,741	0	6,635	SoFP
At 31 March 2023	**4,812**	**37,965**	**41,416**	**977**	**85,170**	

PROVISIONS - CONSOLIDATED AND BOARD (PRIOR YEAR)

	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non-endowment) £'000	2021 Total £'000
At 1 April 2021	7,088	38,997	37,321	245	83,651
Arising during the year	414	11,332	1,507	963	14,216
Utilised during the year	(508)	(2,137)	(949)	(285)	(3,879)
Unwinding of discount	(71)	0	0	0	(71)
Reversed unutilised	(411)	(5,484)	0	(125)	(6,020)
At 31 March 2022	**6,512**	**42,708**	**37,879**	**798**	**87,897**

The amounts shown above in relation to Clinical & Medical Legal Claims against NHS Forth Valley are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 9.

Analysis of expected timing of discounted flows to 31 March 2022

	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non-endowment) £'000	2021 Total £'000	
Payable in one year	459	2,964	9,448	83	12,954	SoFP
Payable between 2 - 5 years	1,836	6,506	23,020	715	32,077	SoFP
Payable between 6 - 10 years	1,713	21,965	1,958	0	25,636	SoFP
Thereafter	2,504	11,273	3,453	0	17,230	SoFP
At 31 March 2022	**6,512**	**42,708**	**37,879**	**798**	**87,897**	

Pensions and similar obligations

The Board meets the additional costs of benefits beyond the normal National Health Service Superannuation Scheme for Scotland in respect of employees who retire early by paying the required amounts annually to the National Health Service Superannuation Scheme for Scotland over the period between early departure and normal retirement date. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of (1.30)% in real terms for the Injury Benefit provision and the Treasury discount rate of 1.55% Gross Rate for the Pension provision. The Board expects expenditure to be charged to this provision for a period of up to 40 years.

Clinical & Medical Legal Claims against NHS Board

The Board holds a provision to meet costs of all outstanding and potential clinical and medical negligence claims. All legal claims notified to the Board are processed by the NHS Central Legal Office who will decide upon risk liability and likely outcome of each case. The provision contains sums for settlement awards, legal expenses and third party costs. Clinical and medical negligence cases lodged can be extremely complex. It is expected that expenditure will be charged to this provision for a period of up to 10 years. The amounts disclosed are stated gross and the amount of any expected reimbursements are shown separately as debtors in the notes to the accounts. The analysis of expected timing of discounted flows professional judgement is excercised around the expected timings of these obligations, taking into account relevant risk ratings, information on CLO quarterly returns and the impact of Covid.

Participation in CNORIS

Clinical Negligenge and Other Risks Indemnity Scheme. This represents the Board's share of the total liability of NHSScotland as advised by the Scottish Government and based on information prepared by NHS Boards and the Central Legal Office.

Other

The main element of the Other provisions is the Non Medical Negligence cases and all cases are risk assessed by CLO to determine the level of risk banding to be applied. There are three risk categories in place, with relevant accounting treatments on each: 1. Category 3 - Higher Risk: Fully provided for within the accounts. 2. Category 2 - Mid-level Risk: 50% provided for within the accounts and 50% recorded as a Contingent Liability see N19 within the Accounts. 3. Category 1 - Lower Risk: Recorded as Contingent Liabilities see N14 with the accounts.

13b. CLINICAL NEGLIGENCE AND OTHER RISKS INDEMNITY SCHEME (CNORIS)

2022 £'000		Note	2023 £'000
36,006	Provision recognising individual claims against the NHS Board as at 31 March	13a	38,942
(43,027)	Associated CNORIS receivable at 31 March	9	(38,871)
37,879	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	13a	41,416
30,858	**Net Total Provision relating to CNORIS at 31 March**		**41,487**

The Clinical Negligence and Other Risks Scheme (CNORIS) has been in operation since 2000. Participation in the scheme is mandatory for all NHS boards in Scotland. The scheme allows for risk pooling of legal claims in relation to clinical negligence and other risks and works in a similar manner to an insurance scheme. CNORIS has an agreed threshold of £25k and any claims with a value less than this are met directly from within boards' own budgets. Participants e.g. NHS boards contribute to the CNORIS pool each financial year at a pre-agreed contribution rate based on the risks associated with their individual NHS board. If a claim is settled the board will be reimbursed by the scheme for the value of the settlement, less a £25k "excess" fee. The scheme allows for the risk associated with any large or late in the financial year legal claims to be managed and reduces the level of volatility that individual boards are exposed to.

When a legal claim is made against an individual board, the board will assess whether a provision or contingent liability for that legal claim is required. If a provision is required then the board will also create an associated receivable recognising reimbursement from the scheme if the legal claim settles. The provision and associated receivable are shown in the first two lines above. The receivable has been netted off against the provision to reflect reimbursement from the scheme.

As a result of participation in the scheme, boards should also recognise that they will be required to make contributions to the scheme in future years. Therefore a second provision that recognises the board's share of the total CNORIS liability of NHSScotland has been made and this is reflected in third line above.

Therefore there are two related but distinct provisions required as a result of participation in the scheme. Both of these provisions as well as the associated receivable have been shown in the note above to aid the reader's understanding of CNORIS.

Further information on the scheme can be found at: http://www.clo.scot.nhs.uk/our-services/cnoris.aspx

14. CONTINGENT ASSETS and LIABILITIES

The following contingent liabilities have not been provided for in the Accounts:

2022 £'000	Nature	2023 £'000
13,480	Clinical and medical compensation payments	3,855
1,075	Employer's liability	960
14,555	TOTAL CONTINGENT LIABILITIES	4,815
	CONTINGENT ASSETS	
12,863	Clinical and medical compensation payments	3,433
884	Employer's liability	769
13,747	TOTAL CONTINGENT ASSETS	4,202

16. COMMITMENTS

2022 £'000	Capital Commitments The Board has the following Capital Commitments which have not been included for in the accounts	Property, plant and equipment: £'000	Intangible assets: £'000	2023 £'000
	Contracted			
1,804	Community Hospital	630	0	630
6,412	Improving Access to Elective Care	2,000	0	2,000
				0
8,216	**Total**	**2,630**	**0**	**2,630**
	Authorised but not Contracted			
2,000	Medical Equipment Replacement	1,525	0	1,525
894	Primary Care Modernisation	900	0	900
2,514	IM&T Strategy	2,870	200	3,070
900	Property Maintenance & Statutory Standards	1,015	0	1,015
300	Energy Efficiency	1,002	0	1,002
600	Covid Remobilisation	0	0	0
1,345	NHS Board corporate projects	533	0	533
8,553	**Total**	**7,845**	**200**	**8,045**

Other financial commitments

No non - cancellable contracts have been entered into by the Board.

Financial Guarantees, Indemnities and Letter of Comfort

No quantifiable Guarantees or indemnities have been entered into by the Board and no letters of comfort have been provided.

17. (a) Right of Use Assets (RoU) - CONSOLIDATED

		Buildings (excluding dwellings) 2023 £'000	Transport Equipment 2023 £'000	Total 2023 £'000
Cost or valuation				
At 1 April 2022		9,196	476	9,672
Additions (include new dilapidation provisions)		0	505	505
Additions - peppercorn leases		0	0	0
Revaluations		(2,625)	0	(2,625)
Impairment charges		0	0	0
Disposals - peppercorn leases		0	(19)	(19)
At 31 March 2023		**6,571**	**962**	**7,533**
Depreciation				
At 1 April 2022		0	0	0
Provided during the year - (include new dilapidation provisions)		684	278	962
Provided during the year - peppercorn leases		31	0	31
Revaluations		(477)	0	(477)
Impairment charges		4	0	4
Disposals - peppercorn leases		0	(19)	(19)
At 31 March 2023		**242**	**259**	**501**
Net book value at 1 April 2022		**9,196**	**476**	**9,672**
Net book value at 31 March 2023	**SoFP**	**6,329**	**703**	**7,032**

Open Market Value of Land in Land and Dwellings Included Above

17. (b) Lease Liabilities

	Land (including under buildings) 2023 £'000	Buildings (excluding dwellings) 2023 £'000	Dwellings 2023 £'000	Transport Equipment 2023 £'000	Plant & Machinery 2023 £'000	Information Technology 2023 £'000	Furniture & Fittings 2023 £'000	Assets Under Construction 2023 £'000	Total 2023 £'000
Amounts falling due:									
Not later than one year	0	490	0	316	0	0	0	0	806
Later than one year, not later than 2 years	0	499	0	178	0	0	0	0	677
Later than two year, not later than five years	0	1,347	0	136	0	0	0	0	1,483
Later than five years	0	2,634	0	0	0	0	0	0	2,634
Less: Unaccrued interest	0	0	0	0	0	0	0	0	0
At 31 March 2023	**0**	**4,970**	**0**	**630**	**0**	**0**	**0**	**0**	**5,600**
Current	0	0	0	0	0	0	0	0	0
Non Current	0	0	0	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Amounts recognised in the Statement of Comprehensive Net Expenditure

	Consolidated £000	Board £000	Total £000
Depreciation	993	993	1986
Interest Expense	149	149	298
Non Recoverable VAT on lease payments	40	40	80
Low value and short term leases	0	0	0
Remeasurement of ROU assets - (gain)/loss charged to SOCNE	4	4	8
Total	**1186**	**1186**	**2364**

Amounts recognised in the Statement of Cash Flows

	Consolidated £000	Board £000	Total £000
Interest Expense	149	149	298
Repayments of Principal of leases	710	710	1420
Total	**859**	**859**	**1718**

18b. COMMITMENTS UNDER PFI CONTRACTS - On Balance Sheet

Clackmannanshire Community Healthcare Centre (CCHC) CCHC is a service concession for the development and right of use of Community Health Facilities (incorporating a Health Centre Building including accommodation for 3 GP practices, Associated Clinical Services and accommodation for local Health and Social Work Teams, a Mental Health Resource Centre, a Day Therapy Unit and 45 Inpatient Beds) and provision of services, including maintenance of the facility, under a Project Agreement. Certain facilities management services such as cleaning will be provided by the Board. Services commencement date was 18th May 2009 and the contract term ends in July 2037. The payment mechanism is incorporated in the Project Agreement and subject to annual adjustment for inflation in line with the Retail Price Index (RPI) and risk sharing arrangements around usage and price of utilities (gas, electricity and fuel oil). At the end of the agreement the asset will revert to the ownership of the Board. There were no significant changes to the contract in the year.

Forth Valley Royal Hospital (FVRH) is a service concession for the NHS Forth Valley development and right of use of a new Acute Hospital for Forth Valley (Forth Valley Royal Hospital (FVRH)) and associated provision of services including provision of facilities management services such as patient catering, portering, cleaning and maintenance . Services Commencement (handover of the facility to the Board) was in three phases May 2010, August 2010 and April 2011 and the accounting treatment is on-balance sheet. The duration of the agreement is for 30 years from practical completion to the end of the financial year in which the 30th anniversary occurs. The payment mechanism is incorporated in the Project Agreement and subject to annual adjustment for inflation in line with the Retail Price Index (RPI) and risk sharing arrangements around volumes of patient catering supplied and usage and price of utilities (gas, electricity and fuel oil). At the end of the agreement the asset will revert to the ownership of the Board. There were no significant changes to the contract in the year.

Stirling Health and Care Village (SCV) - SCV is a service concession for the developement and right of use of Community Health and Care facilities which will bring together on one site a range of health, local authority and other partner organisation's services. These services include a 116 bed integrated care hub, accomodation for 3 GP practices, associated clinical services and accomodation for Minor Injuries Unit, Diagnostics, Community Nursing, GP Out of Hours and an ambulance station and workshop. The facility was handed over in three phases end of June 2018, October 2018 and October 2019 and the accounting treatment is on Balance sheet. Soft Facilities are provided by the Board including some hard FM services. The facility was delivered under the Hub initiative and the contract agreement is for 25 years ending in October 2044. The payment mechanism is incorporated in the project agreement and subject to annual adjustment in line with the Retail Price Index (RPI).

Under IFRIC 12 the assets are treated as assets of the Board and included in the Board's accounts as Non current assets. The liability to pay for the properties are in substance finance lease obligations. Contractual payments therefore comprise two elements for each asset; imputed finance lease charges and service charges. The imputed finance lease obligations are as follows:

Total obligations under on-balance sheet PFI/PPP contracts for the following periods comprises:

2022 £'000	Gross Minimum Lease Payments	CCHC £'000	FVRH £'000	SCV £'000	2023 £'000
23,753	Rentals due within 1 year	1,446	19,787	2,520	23,753
23,753	Due within 1 to 2 years	1,446	19,787	2,520	23,753
71,257	Due within 2 to 5 years	4,338	59,360	7,559	71,257
358,061	Due after 5 years	14,460	277,013	42,831	334,304
476,824	**Total**	21,690	375,947	55,430	453,067

2022 £'000	*Less* Interest Element	CCHC £'000	FVRH £'000	SCV £'000	2023 £'000
(13,943)	Rentals due within 1 year	(806)	(10,992)	(1,702)	(13,500)
(13,500)	Due within 1 to 2 years	(771)	(10,609)	(1,659)	(13,039)
(37,646)	Due within 2 to 5 years	(2,077)	(29,354)	(4,698)	(36,129)
(102,972)	Due after 5 years	(3,607)	(72,887)	(14,952)	(91,446)
(168,061)	**Total**	(7,261)	(123,842)	(23,011)	(154,114)

2022 £'000	Present value of minimum lease payments	CCHC £'000	FVRH £'000	SCV £'000	2023 £'000
9,810	Rentals due within 1 year	640	8,795	818	10,253
10,253	Due within 1 to 2 years	675	9,178	861	10,714
33,611	Due within 2 to 5 years	2,261	30,006	2,861	35,128
255,089	Due after 5 years	10,853	204,126	27,879	242,858
308,763	**Total**	14,429	252,105	32,419	298,953

2022 £'000	Service elements due in future periods	CCHC £'000	FVRH £'000	SCV £'000	2023 £'000
51,008	Rentals due within 1 year	3,174	53,052	2,419	58,645
51,734	Due within 1 to 2 years	3,214	53,906	2,392	59,512
159,588	Due within 2 to 5 years	9,881	166,917	6,996	183,794
887,820	Due after 5 years	35,250	886,636	31,331	953,216
1,150,150	**Total**	51,520	1,160,511	43,138	1,255,168
1,458,913	**Total commitments**	**65,949**	**1,412,616**	**75,557**	**1,554,121**

2022 £'000		2023 £'000
14,366	Interest Charges	13,943
26,333	Service Charges	27,440
9,387	Principal Repayment	9,809
6,320	Other Charges	9,626
56,406		60,818

2022 £'000		2023 £'000
6,320	Contingent rents (included in Other charges)	9,626

19. PENSION COSTS

(a)The Board participates in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31st March 2016. This valuation informed an employer contribution rate from 1 April 2019 of 20.9% of pensionable pay and an anticipated yield of 9.6% employees contributions.

(b) The Board has no liability for other employers obligations to the multi-employer scheme.

(c) As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

(d) (i) The scheme is an unfunded multi-employer defined benefit scheme.

(ii) It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Board is unable to identify its share of the underlying assets and liabilities of the scheme.

(iii) The employer contribution rate for the period from 1 April 2023 was 20.9% of pensionable pay. The employee rate applied is a variable and is anticipated to provide a yield of 9.4% of pensionable pay.

(iv) While a valuation was carried out as at 31 March 2016, work on the cost cap valuation was suspended by the UK Government following the decision by the Court of Appeal (McLeod(Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that the transitional protections provided as part of the 2015 reforms unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 acturial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that current employer contribution rates would stay in force until 1 April 2024.

(v) The Board's level of participation in the scheme is 4.0 % based on the proportion of employer contributions paid in 2021-22.

For the current year, normal employer contributions of £50.370m were payable to the SPPA (prior year £46.410m) at the rate of 20.9% (prior year: 20.9%) of total pensionable salaries. In addition, during the accounting period the NHS board had reduced costs of £1,523k (prior year reduced costs £67k) arising from the early retirement of staff.

Provisions amounting to £4.812m are included in the Statement of Financial Position and reflect the difference between the amounts charged to the Statement of Comprehensive Net Expenditure and the amounts paid directly.

The new NHS Pension Scheme (Scotland) 2015

From 1 April 2015 the NHS Pension Scheme (Scotland) 2015 was introduced. This scheme is a Career Average Re-valued Earnings (CARE) scheme. Members will accrue 1/54 of their pay as pension for each year they are a member of the scheme. The accrued pension is re-valued each year at an above inflation rate to maintain its buying power. This is currently 1.5% above increases to the Consumer Prices Index (CPI). This continues until the member leaves the scheme or retires. In 2021-22 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. The normal pension age (NPA) is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

The existing NHS Superannuation Scheme (Scotland)

This scheme closed to new joiners on 31 March 2015 but any benefits earned in either NHS 1995 or NHS 2008 sections are protected and will be paid at the section's normal pension age using final pensionable pay when members leave or retire. Some members who were close to retirement when the NHS 2015 scheme launched will continue to earn benefits in their current section. This may affect members who were paying into the scheme on 1 April 2012 and were within 10 years of their normal retirement age. Some members who were close to retirement but did not qualify for full protection will remain in their current section beyond 1 April 2015 and join the 2015 scheme at a later date.

All other members automatically joined the NHS 2015 scheme on 1 April 2015.

Further information is available on the Scottish Public Pensions Agency (SPPA) web site at www.sppa.gov.uk

National Employment Savings Trust (NEST)

The Pensions ACT 2008 and 2011 Automatic Enrolment regulations required all employers to enrol workersmeeting certain criteria into a pension scheme and pay contributions toward their retirement. For those staff not entitled to join the NHS Superannuation Scheme (Scotland), the Board utilised an alternative pension scheme called NEST to fulfil its Automatic Enrolment obligations.

NEST is a defined contribution pension scheme established by law to support the introduction of AutoEnrolment. Contributions are taken from qualifying earnings, which are currently from £6,240 up to £50,000, but will be reviewed every year by the government. The initial contribution is 1% of qaulifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by government.

Date	Employee Contribution	Employer Contribution	Total Contribution
1st March 2013	1%	1%	2%
1st October 2018	3%	2%	5%
1st October 2019	5%	3%	8%

Pension members can choose to let NEST manage their retirement fund or can take control themselves and alter contribution levels and switch between different funds. If pension members leave the Board they can continue to pay into NEST.
NEST Pension members can take money out of NEST at any time from age 55. If suffering from serious ill health or incapable of working due to illness members can request to take money out of NEST early. They can take the entire retirement fund as cash, use it to buy a retirement income or a combination. Additionally members can transfer their NEST retirement fund to another scheme.
NEST is run by NEST Corporation, a trustee body which is a non-departmental public body operating at arm's length from government and is accountable to Parliament through the Department for Work and Pensions.

	2023 £'000	2022 £'000
Pension cost charge for the year	50,370	46,410
Additional Costs arising from early retirement	(1,523)	(67)
Provisions/Liabilities included in the Statement of Financial Position	8,940	10,982
Pension costs for the year for staff transferred from local authority	0	0

22. FINANCIAL INSTRUMENTS

a FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

CONSOLIDATED

At 31 March 2023	Note	Financial Assets at fair value through OCI £'000	Financial Assets at amortised cost £'000	Financial Assets at fair value through profit/loss £'000	Total £'000
Assets per Statement of Financial Position					
Investments	10	0	0	3,590	3,590
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	10,013	0	0	10,013
Cash and cash equivalents	11	362	0	0	362
		10,375	**0**	**3,590**	**13,965**

BOARD

At 31 March 2023	Note	Financial Assets at fair value through OCI £'000	Financial Assets at amortised cost £'000	Financial Assets at fair value through profit/loss £'000	Total £'000
Assets per Statement of Financial Position					
Investments	10	0	0	560	560
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	9,975	0	0	9,975
Cash and cash equivalents	11	36	0	0	36
		10,011	**0**	**560**	**10,571**

CONSOLIDATED (Prior Year)

At 31 March 2022	Note	Financial Assets at fair value through OCI £'000	Financial Assets at amortised cost £'000	Financial Assets at fair value through profit/loss £'000	Total £'000
Assets per Statement of Financial Position					
Investments	10	0	0	3,800	3,800
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	7,332	0	0	7,332
Cash and cash equivalents	11	229	0	0	229
		7,561	**0**	**3,800**	**11,361**

BOARD (Prior Year)

At 31 March 2022	Note	Financial Assets at fair value through OCI £'000	Financial Assets at amortised cost £'000	Financial Assets at fair value through profit/loss £'000	Total £'000
Assets per Statement of Financial Position					
Investments	10	0	0	556	556
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	7,290	0	0	7,290
Cash and cash equivalents	11	37	0	0	37
		7,327	**0**	**556**	**7,883**

22. FINANCIAL INSTRUMENTS (cont.)

Financial Liabilities

CONSOLIDATED

At 31 March 2023	Note	Liabilities at Fair Value through profit and loss £'000	Financial Liabilities at amortised cost £'000	Total £'000
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	5,600	5,600
PFI Liabilities	12	0	298,953	298,953
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	93,368	93,368
		0	**397,921**	**397,921**

BOARD

At 31 March 2023	Note	Liabilities at Fair Value through profit and loss £'000	Financial Liabilities at amortised cost £'000	Total £'000
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	5,600	5,600
PFI Liabilities	12	0	298,953	298,953
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	93,160	93,160
		0	**397,713**	**397,713**

CONSOLIDATED (Prior Year)

At 31 March 2022	Note	Liabilities at Fair Value through profit and loss £'000	Financial Liabilities at amortised cost £'000	Total £'000
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	3,788	3,788
PFI Liabilities	12	0	308,763	308,763
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	133,302	133,302
		0	**445,853**	**445,853**

BOARD (Prior Year)

At 31 March 2022	Note	Liabilities at Fair Value through profit and loss £'000	Financial Liabilities at amortised cost £'000	Total £'000
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	3,788	3,788
PFI Liabilities	12	0	308,763	308,763
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	133,215	133,215
		0	**445,766**	**445,766**

22. FINANCIAL INSTRUMENTS, cont.

b FINANCIAL RISK FACTORS

Exposure to Risk
The NHS Board's activities expose it to a variety of financial risks:

Credit risk - the possibility that other parties might fail to pay amounts due.
Liquidity risk - the possibility that the NHS Board might not have funds available to meet its commitments to make payments.
Market risk - the possibility that financial loss might arise as a result of changes in such measures as interest rates, stock market movements or foreign exchange rates.
Because of the largely non-trading nature of its activities and the way in which government departments are financed, the NHS Board is not exposed to the degree of financial risk faced by business entities.

a) Credit Risk
Credit risk arises from cash and cash equivalents, deposits with banks and other institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and other institutions, only independently rated parties with an minimum rating of 'A' are accepted.
Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the NHS Board.

The utilisation of credit limits is regularly monitored.
No credit limits were exceeded during the reporting period and no losses are expected from non-performance by any counterparties in relation to deposits.

b) Liquidity Risk
The Scottish Parliament makes provision for the use of resources by the NHS Board for revenue and capital purposes in a Budget Act for each financial year. Resources and accruing resources may be used only for the purposes specified and up to the amounts specified in the Budget Act. The Act also specifies an overall cash authorisation to operate for the financial year. The NHS Board is not therefore exposed to significant liquidity risks.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2023	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
PFI Liabilities	10,253	10,714	35,128	242,858
Finance lease liabilities	806	0	2,160	2,634
Derivative financial instruments	0	0	0	0
Trade and other payables excluding statutory liabilities	93,025	0	0	0
Total	**104,084**	**10,714**	**37,288**	**245,492**

At 31 March 2022	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
PFI Liabilities	9,810	10,253	33,611	255,089
Finance lease liabilities	151	169	618	2,850
Derivative financial instruments	0	0	0	0
Trade and other payables excluding statutory liabilities	139,346	0	0	0
Total	**149,307**	**10,422**	**34,229**	**257,939**

Note - The PFI Liabilities line for the prior year has been restated to agree to the undiscounted cash flows.

c) Market Risk

The NHS Board has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the NHS Board in undertaking its activities.
i) Cash flow and fair value interest rate risk
The NHS Board has no significant interest bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market interest rates.

ii) Foreign Currency Risk
The NHS Board is not exposed to foreign currency risk.
iii) Price risk
The NHS Board is not exposed to equity security price risk.

c FAIR VALUE ESTIMATION

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current HM Treasury interest rate that is available for similar financial instruments.

24. RELATED PARTY TRANSACTIONS

Transactions that NHS Forth Valley had with the Scottish Government Health Department (SGHD) are disclosed within these published accounts. During the year the Board received funding of £728,051k and also received payments of £256k and made payments of £0k with a balance of £46k due to the Board and payments of £25k due by the Board.

Transactions that NHS Forth Valley had with other government departments and other central government bodies are disclosed within these published accounts. During the year the Board received payments of £23,961k and made payments of £175,759k with a balance of £6,146k due to the Board and payments of £40,472k due by the Board.

Other Government Body with significant balances are included in the above -	**Due to**	**Due from**	**Income From**	**Expenditure With**
	£000	**£000**	**£000**	**£000**
Falkirk Council	14,404	1,145	2,871	9,878
Stirling Council	11,968	998	1,837	4,002

Transactions that NHS Forth Valley had with other NHS Scotland bodies are disclosed within these published accounts. During the year the Board received payments of £33,017k and made payments of £100,434k with a balance of £14,811k due to the Board and payments of £5,655k due by the Board.

NHS Scotland Body with significant balances are included in the above -	**Due to**	**Due from**	**Income From**	**Expenditure With**
	£000	**£000**	**£000**	**£000**
NHS Greater Glasgow and Clyde	5,609	690	1,572	50,988
NHS Lothian	5,300	361	2,496	20,067
NHS National Services Scotland	327	129	637	16,609

NHS Forth Valley has endowment funds that are managed by Trustees who are also Directors of the Board. The Endowment balances are consolidated within the Accounts as per N26.

Falkirk Integration Joint Board is a related party of NHS Forth Valley. During the year the Board received payments from the IJB of £195,296k, and made payments to the IJB of £181,704k. The Board's share of the IJB deficit was (£4,544k).

Clackmannanshire and Stirling Integration Joint Board is a related party of NHS Forth Valley. During the year the Board received payments from the IJB of £178,982k, and made payments to the IJB of £168,472k. The Board's share of the IJB deficit was (£2,865k).

NHS Forth Valley Executives and Non Executives are members of Clackmannanshire and Stirling Integrated Joint Board , Falkirk Integrated Joint Board and are also Trustees of NHS Forth Valley Endowment Funds -

	Clackmannanshire & Stirling Integrated Joint Board	**Falkirk Integrated Joint Board**	**NHS Forth Valley Endowment Funds**
EXECUTIVES -			
Mrs Cathie Cowan	√	√	√
Mr Andrew Murray	√	√	√
Ms Angela Wallace - (Ends on 14/04/2022)	√	√	√
Ms Frances Dodds - (Started 01/10/2022)		√	√
Dr Graham Foster			√
Mr Scott Urquhart			√
NON EXECUTIVES -			
Mr John Ford			√
Ms Michelle McClung		√	√
Mr Gordon Johnston	√	√	√
Mr Les Sharp - (Ends on 30/04/2022)			√
Mr Stephen Mc Allister	√	√	√
Mr Allan Rennie	√		√
Mr Daniel Gibson	√		
Ms Fiona Collie		√	
Ms Wendy Hamilton	√		
Ms Kirsten Cassells			
Ms Janie McCusker			√
Mr Martin Fairbairn	√		√
Mr John Stuart (MBE)	√		√
Ms Susan McGill - (Ends on 30/04/2022)			√

See further disclosures in the Remuneration Report for the Executive and Non Executives.

25. THIRD PARTY ASSETS

Third Party Assets managed by the Board consist of balances on Patients' Private Funds Accounts

These are not departmental assets and are not included in the accounts. The assets held at the reporting period date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances and monies on deposit, and listed securities. They are set out in the table immediately below.

	2022 £'000	Gross Inflows £'000	Gross Outflows £'000	2023 £'000
Monetary amounts such as bank balances and monies on deposit	246	160	(205)	201
Unclaimed dividends and unapplied balances	0	0	0	0
Securities	0	0	0	0
Other monetary assets	0	0	0	0
Total Monetary Assets	**246**	**160**	**(205)**	**201**

There are no siginificant assets /investments held at the year end.

26a. CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Group 2022 £'000		Note	Board 2023 £'000	Endowments 2023 £'000	Intra Group adj. 2023 £'000	Integration Joint Board (Joint Ventures) Falkirk IJB 2023 £'000	Integration Joint Board (Joint Ventures) Clackmannanshire & Stirling IJB 2023 £'000	Consolidated 2023 £'000
	Total income and expenditure							
347,882	Employee Expenditure	3	376,617	0	0	0	0	376,617
	Other operating expenditure	3						
95,503	Independent Primary Care Services		101,320	0	0	0	0	101,320
129,643	Drugs and medical supplies		133,813	0	0	0	0	133,813
621,604	Other health care expenditure		587,919	500	0	0	0	588,419
1,194,632	Gross expenditure for the year		1,199,669	500	0	0	0	1,200,169
(402,780)	Less: operating income	4	(428,455)	(482)	0	0	0	(428,937)
(17,249)	Associates and joint ventures accounted for on an equity basis		0	0	0	4,544	2,865	7,409
774,603	**Net Expenditure**		**771,214**	**18**	**0**	**4,544**	**2,865**	**778,641**

The endowment fund is a fully consolidated subsidiary.

The IJBs are accounted for as joint ventures and NHS Forth Valley accounts for a 50% share of the result for the year.

26b. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Group 2022 £'000		Note	Board 2023 £'000	Endowment 2023 £'000	Intra Group adjustment 2023 £'000	Integration Joint Board (Joint Ventures) Falkirk IJB 2023 £'000	Integration Joint Board (Joint Ventures) Clackmannanshire & Stirling IJB 2023 £'000	Group 2023 £'000
	Non-current assets:							
578,524	Property, plant and equipment	SoFP	594,655	0	0	0	0	594,655
696	Intangible assets	SoFP	536	0	0	0	0	536
	Right of Use assets	SoFP	7,032	0	0	0	0	7,032
	Financial assets:							
3,800	Investments	SoFP	560	3,030	0	0	0	3,590
33,187	Investments in associates and joint ventures	26a	0	0	0	14,415	11,363	25,778
40,831	Trade and other receivables	SoFP	34,903	0	0	0	0	34,903
657,038	**Total non-current assets**		**637,686**	**3,030**	**0**	**14,415**	**11,363**	**666,494**
	Current Assets:							
2,012	Inventories	SoFP	2,639	0	0	0	0	2,639
0	Intangible assets	SoFP	0	0	0	0	0	0
	Financial assets:							
16,816	Trade and other receivables	SoFP	24,540	38	0	0	0	24,578
229	Cash and cash equivalents	SoFP	36	326	0	0	0	362
0	Investments	SoFP	0	0	0	0	0	0
0	Derivatives financial assets	SoFP	0	0	0	0	0	0
0	Assets classified as held for sale	SoFP	0	0	0	0	0	0
19,057	**Total current assets**		**27,215**	**364**	**0**	**0**	**0**	**27,579**
676,095	**Total assets**		**664,901**	**3,394**	**0**	**14,415**	**11,363**	**694,073**
	Current liabilities							
(12,954)	Provisions	SoFP	(15,751)	0	0	0	0	(15,751)
	Financial liabilities:							
(163,216)	Trade and other payables	SoFP	(132,278)	(208)	0	0	0	(132,486)
0	Derivatives financial liabilities	SoFP	0	0	0	0	0	0
(176,170)	**Total current liabilities**		**(148,029)**	**(208)**	**0**	**0**	**0**	**(148,237)**
499,925	**Non-current assets plus / less net current assets/liabilities**		**516,872**	**3,186**	**0**	**14,415**	**11,363**	**545,836**
	Non-current liabilities							
(74,943)	Provisions	SoFP	(69,419)	0	0	0	0	(69,419)
	Financial liabilities:							
(302,799)	Trade and other payables	SoFP	(293,787)	0	0	0	0	(293,787)
0	Liabilities in associates and joint ventures	26a	0	0	0	0	0	0
(377,742)	**Total non-current liabilities**		**(363,206)**	**0**	**0**	**0**	**0**	**(363,206)**
122,183	**Assets less liabilities**		**153,666**	**3,186**	**0**	**14,415**	**11,363**	**182,630**
	Taxpayers' Equity							
(84,244)	General fund	SoFP	(36,796)	0	0	0	0	(36,796)
169,849	Revaluation reserve	SoFP	190,462	0	0	0	0	190,462
33,187	Other reserves - joint venture	SoFP	0	0	0	14,415	11,363	25,778
3,391	Funds Held on Trust	SoFP	0	3,186	0	0	0	3,186
122,183	**Total taxpayers' equity**		**153,666**	**3,186**	**0**	**14,415**	**11,363**	**182,630**

26c. CONSOLIDATED STATEMENT OF CASHFLOWS

Consolidated 2022 £'000		Board 2023 £'000	Endowment 2022 £'000	Intra Group adjustment 2023 £'000	Integration Joint Board (Joint Ventures) Falkirk IJB 2023 £'000	Integration Joint Board (Joint Ventures) Clackmannanshire & Stirling IJB 2022 £'000	Consolidated 2023 £'000
	Cash flows from operating activities						
(774,603)	Net operating expenditure	(771,214)	(18)	0	(4,544)	(2,865)	(778,641)
951	Adjustments for non-cash transactions	18,713	0	0	4,544	2,865	26,122
14,411	Add back: interest payable recognised in net operating expenditure	12,843	0	0	0	0	12,843
(18)	Deduct: interest receivable recognised in net operating expenditure	(38)	0	0	0	0	(38)
0	Investment income	0	0	0	0	0	0
41,293	Movements in working capital	(31,570)	126	0	0	0	(31,444)
(717,966)	**Net cash outflow from operating activities**	**(771,266)**	**108**	**0**	**0**	**0**	**(771,158)**
	Cash flows from investing activities						
(8,272)	Purchase of property, plant and equipment	(19,573)	0	0	0	0	(19,573)
0	Purchase of intangible assets	(102)	0	0	0	0	(102)
(1,106)	Investment additions	0	(442)	0	0	0	(442)
0	Transfer of assets to/(from) other NHS bodies	0	0	0	0	0	0
0	Proceeds of disposal of property, plant and equipment	185	0	0	0	0	185
0	Proceeds of disposal of intangible assets	0	469	0	0	0	469
814	Receipts from sale of investments	0	0	0	0	0	0
18	Interest received	38	0	0	0	0	38
(8,546)	**Net cash outflow from investing activities**	**(19,452)**	**27**	**(0)**	**(0)**	**(0)**	**(19,425)**
	Cash flows from financing activities						
750,632	Funding	814,200	0	0	0	0	814,200
2	Movement in general fund working capital	(1)	0	0	0	0	(1)
750,634	Cash drawn down	814,199	0	0	0	0	814,199
(9,386)	Capital element of payments in respect of finance leases and on-balance sheet PFI contracts	(9,810)	0	0	0	0	(9,810)
(328)	Capital element of payments in respect of leases	1,812					1,812
0	IFRS 16 transition lease payment	(2,642)	0	0	0	0	(2,642)
71	Interest paid	1,249	0	0	0	0	1,249
(14,482)	Interest element of finance leases and on-balance sheet PFI / PPP contracts	(14,092)	0	0	0	0	(14,092)
726,509	**Net Financing**	**790,716**	**0**	**0**	**0**	**0**	**790,716**
(3)	**Net Increase / (decrease) in cash and cash equivalents in the period**	(2)	135	0	0	0	133
232	**Cash and cash equivalents at the beginning of the period**	38	191	0	0	0	229
229	**Cash and cash equivalents at the end of the period**	**36**	**326**	**0**	**0**	**0**	**362**
	Reconciliation of net cash flow to movement in net debt / cash						
(3)	Increase / (decrease) in cash in year	(2)	135	0	0	0	133
232	Net debt / cash at 1 April	38	191	0	0	0	229
229	**Net debt / cash at 31 March**	**36**	**326**	**0**	**0**	**0**	**362**

DIRECTIONS BY THE SCOTTISH MINISTERS

The Scottish Ministers, in exercise of their functions under section 86(1) and (3) of the National Health Service (Scotland) Act 1978, in relation to the functions of Health Boards in that section which apply to NHS Forth Valley by virtue of that Act, and all other powers enabling them to do so, hereby DIRECT that:

1. NHS Forth Valley must prepare a statement of accounts for each financial year in accordance with the accounting principles and disclosure requirements set out in the edition of the Government Financial Reporting Manual which is applicable for the financial year for which the statement of accounts is prepared.

2. In preparing a statement of accounts in accordance with paragraph 1, NHS Forth Valley must use the NHS Forth Valley Annual Accounts template which is applicable for the financial year for which the statement of accounts is prepared.

3. In preparing a statement of accounts in accordance with paragraph 1, NHS Forth Valley must adhere to any supplementary accounting requirements set out in the following documents which are applicable for the financial year for which the statement of accounts is prepared –

   (a) The NHS Scotland Capital Accounting Manual,

   (b) The Manual for the Annual Report and Accounts of NHS Boards and for Scottish Financial Returns, and

   (c) The Scottish Public Finance Manual.

4. A statement of accounts prepared by NHS Forth Valley in accordance with paragraphs 1, 2 and 3, must give a true and fair view of the income and expenditure and cash flows for that financial year, and of the state of affairs as at the end of the financial year.

5. NHS Forth Valley must attach these directions as an appendix to the statement of accounts which it prepares for each financial year.

6. In these Directions –

   "financial year" has the same meaning as that given by Schedule 1 of the Interpretation Act 1978,

   "Government Financial Reporting Manual" means the technical accounting guide for the preparation of financial statements issued by HM Treasury,

   "Manual for the Annual Report and Accounts of NHS Boards and for Scottish Financial Returns" means the guidance on preparing annual accounts issued to Health Boards by the Scottish Ministers,

   "NHS Act 1978" means the National Health Service (Scotland) Act 1978 (c. 29),

   "NHS Scotland Capital Accounting Manual" means the guidance on the application of accounting standards and practice to capital accounting transactions in the NHS issued by the Scottish Ministers,

NHS Forth Valley is a Health Board established under section 2(1) of the National Health Service (Scotland) Act 1978

"NHS Forth Valley Annual Accounts template" means the Excel spreadsheet issued to NHS Forth Valley by the Scottish Ministers as a template for their statement of accounts, and

"Scottish Public Finance Manual" means the guidance on proper handling and reporting of public funds issued by the Scottish Ministers.

7. Any expressions or definitions, where relevant and unless otherwise specified, take the meaning which they have in section 108 of the NHS Act 1978.

8. This Direction will come into force on the day after the day on which it is signed.

9. This Direction will remain in force until such time that it is varied, amended or revoked by a further Direction of the Scottish Ministers under section 86 of the NHS Act 1978.

Signed by the authority of the Scottish Ministers

Dated 22 March 2022